

**MEETING OF THE  
STATE BOARD FOR FINANCING WATER PROJECTS**

**Summary Minutes**

Thursday, June 19, 2008

9:00 AM

The Bryan Building

901 S. Stewart Street - 2<sup>nd</sup> floor Tahoe Hearing Room

Carson City, Nevada 89701

**Members Present:**

Bruce Scott, Chairman  
Brad Goetsch, Vice Chairman  
Bob Firth  
Steve Walker  
Jennifer Carr (Ex-officio member)

**Members absent:**

Don Ahern

**A. INTRODUCTION AND ROLL CALL (Non Action)**

Chairman Scott called the meeting to order at 9:00 am. At the Chairman's invitation, Board members and individuals in the audience introduced themselves.

Others present associated with the Board included Jeff Menicucci, Deputy Attorney General and Counsel to the Board, and from the Nevada Division of Environmental Protection (NDEP): Jim Balderson (Bureau of Safe Drinking Water), Dave Emme, Adele Basham, Vivian Austin, Michelle Stamates and Marcy McDermott (Bureau of Administrative Services), and Robert Pearson, Recording Secretary.

**B. APPROVAL OF MINUTES - March 20, 2007 MEETING (Action)**

There were no suggested changes or additions to the minutes of the previous meeting.

**Motion:** Mr. Walker moved to approve the minutes of the Board meeting of March 20, 2008, was seconded by Mr. Firth, and the vote was unanimous in favor.

**C. SET A DATE FOR THE NEXT BOARD MEETING IN SEPTEMBER (Action)**

After some discussion of alternatives, the next meeting of the Board was scheduled for 9:00 am on September 25, 2008, in Carson City.

**D. DRINKING WATER STATE REVOLVING FUND (DWSRF) PROGRAM**

1. Discussion & possible approval of Loan commitment to Gold Country Water Co. (Action)

- \* Summary - Adele Basham
- \* Testimony re: Project - Mark Foree (Gold Country Water)

Ms. Basham presented prepared remarks on the Gold Country water system that are contained in **Appendix 1**.

Chairman Scott noted that the SRF can fund private systems, unlike the grant program for which only public systems are eligible. The SRF program has some different circumstances and procedures. He asked Mr. Foree to come forward and answer any questions the Board might have.

Mr. Firth asked about the well location in relation to the customers, and Mr. Foree replied that one well was on the edge of the subdivision and one was slightly farther out in an open field. Mr. Firth said that he asked because he assumed the customers were on septic tanks, and he noted the system had no form of disinfection. Mr. Foree said that was correct, but monitoring had shown no water quality issues.

Mr. Firth asked about the projected growth from 370 to 1800 customers. Mr. Foree said that was a projected build-out quantity and was based on existing water rights. In response to Mr. Firth's further questions, he said that the flat water rate had recently been increased to \$32.95 per month and that the metered rate had not yet been determined—they would work with the PUC on that. He stated that at the current flat rate the system did have sufficient funds for required maintenance, and they would have a reserve fund in the future as a requirement of the loan. He anticipated the meters could be installed within a month, and they would go to the PUC after gathering the required 12 months of water use data. He would do it sooner (6-8 months) if the PUC would give its approval.

Mr. Walker asked about the per capita use rates. Mr. Foree said that it was approximately 1.35 acre feet per year. Probably about double what it would be on a metered rate due to a combination of inexpensive water, flat rates, and large lots. Mr. Walker asked Ms. Basham about the bond rates and she explained that they would probably use the rates published on June 20.

Mr. Goetsch asked if the system currently met all water quality standards, and Mr. Foree said yes. Mr. Goetsch followed up asking if the current rates, or the metered rates proposed, would be sufficient to build capitalization and repair/emergency funds for future maintenance or possible additional expenses. Mr. Foree said that they would like to, but these funds were not allowed by the PUC. Mr. Goetsch noted that this was in the state's funding requirements and asked the system to discuss it with the PUC. In response to a follow up question, Mr. Foree added that they would like to have a tiered rate when metered rates are in effect.

Mr. Walker asked how far the system was from the Winnemucca system, and Mr. Foree indicated about four miles.

Chairman Scott asked Ms. Basham about an entry in the board packet, and it was clarified that on page 2 the "retail population served" referred to the same customers as "population served," and that there was no requirement for bond counsel for private entities.

Chairman Scott discussed the idea of the Board requesting the PUC to allow establishment of a rate that allowed for the capitalization and emergency funds as referred to by Mr.

Goetsch earlier. He thought it might be better presented as a request and encouragement rather than a condition.

Ms. Carr brought up the point that the staff report said 370 customers were connected to a hydropneumatic tank and that NDEP regulations set a maximum of 150 on such a tank. If further growth occurred, this might become an issue that would need to be addressed. Mr. Foree noted they also had a 285,000-gallon, ground-level storage tank, and that either well could pump directly into the system, so the hydropneumatic tank could be dispensed with if necessary.

Mr. Walker asked if there was a connection fee, and Mr. Foree replied that there had not been any recent growth, but if growth was proposed they would put a connection fee in place.

Mr. Walker noted that before any vote he wanted to note that Mr. Foree worked for Truckee Meadows Water Authority (TMWA) and that he (Mr. Walker) was a lobbyist for TMWA, but there was no connection to any matter involved in this application.

Mr. Firth asked Ms. Basham if the staff recommendation included refinancing of existing debt. Ms. Basham stated that they recommended that the \$376,000 included refinancing of \$126,000. The PUC stipulation for the loan amount did not include that. The rate increase surcharge they got was to cover the loan of \$250,000. But the refinancing could be covered by the existing rates because the terms of the SRF loan are much better. Ms. Basham added that this was the first time that the PUC had approved a surcharge for an SRF loan—it is a big step forward.

**Motion:** Mr. Goetsch moved to approve the loan commitment in the amount of \$376,000 to Gold Country Water Company (he now read the resolution and terms contained in Appendix 1). He added that he *recommended* that the PUC enable the system to set a tiered rate that gives incentive for water conservation and has a portion designated for capital replacement and maintenance improvements in compliance with terms for other grants and loans from the Board. He also asked that the meters be in place and in use within two years. Mr. Firth seconded, asking Mr. Goetsch if he recommended charging the metered rate within two years, which Mr. Goetsch affirmed. Chairman Scott noted, for the record, that these were recommendations and not conditions. Mr. Walker added that there is a disconnect between the way the state water fund operates and the way the PUC operates that might be better addressed with a letter from the Board rather than being tied to a motion. Mr. Goetsch said either way was fine, he wanted to help the system, and he would be happy with the letter. Mr. Walker stated he would like the Board to follow up with the PUC. After this discussion, the vote was unanimous in favor.

Chairman Scott said that Mr. Walker's idea would be discussed in more detail later in the meeting under item G. Board Comments.

He now moved down the agenda to:

2. Discussion & possible approval of Loan commitment to Sierra Estates GID (Action)
  - \* Summary - Adele Basham
  - \* Testimony re: Project - Larry English (Sierra Estates GID)

Chairman Scott noted, for the record, that he had done water rights work for Sierra Estates in the past but did not view that as a conflict with this particular request, as he had not done anything recently in an active way.

Ms. Basham's presentation is contained in **Appendix 2**.

Larry English and Lew Frye now came before the Board to answer questions.

Mr. Firth asked about the 3-year time-frame for the project, given its relatively small size. Mr. English replied that doing the intertie allowed servicing of other parts of the system without interruption of service, and they would be doing pieces as money became available. He outlined the system's rates and noted there is a water charge in the local taxes which pays for the FHA bond and the water operator's payroll. The rates will rise a total of 10 percent per year in part to pay for the bond before the Board.

Mr. Goetsch asked for a clarification from staff of the "terms and conditions" of the loan agreement—the total of 10 percent annual rate increases included an existing 3 percent scheduled increase plus an additional 7 percent for the servicing of the loan. Also, Mr. English pointed out that the system already had a reserve fund, as mentioned in the loan conditions, in place and enough to service their current loan as well as the one now before the Board.

Mr. Walker asked if the houses served were on septic systems and if there was any issue with nitrates at the current well. Mr. English said no, test results consistently showed 5.5 to 6 (mg/L). Mr. Walker asked if there had been discussion about just turning over the system to Douglas County. Mr. English said that there has been discussions, and construction actions the system is currently pursuing will assure that everything will be in place should the County ever take over.

**Motion:** Mr. Firth moved to approve Resolution 6-2008 for the SRF loan to Sierra Estates GID in an amount not to exceed \$210,000. Mr. Walker seconded, and the vote was unanimous in favor.

Chairman Scott now moved down the agenda to:

**3. Discussion & possible approval of Loan commitment to Sun Valley GID (Action)**

\* Summary - Adele Basham

\* Testimony re: Project - Darrin Price and John Collins (SVGID)

(Mr. Firth recused himself from this discussion and vote in view of his work on a recent water rights contract for the Sun Valley GID)

Ms. Basham presented prepared remarks on the Sun Valley system that are contained in **Appendix 3**.

Darrin Price, General Manager for SVGID, said that it was critical to get this second wholesale point to the system and noted that the cost of materials had been high during the time period of the original project. Mr. Goetsch asked if there were any additional savings in this last portion, and Mr. Price said he thought there were not. Mr. Walker asked if the District had established a capital replacement fund. John Collins replied that they had, but had not separated the funds out. They had allocated \$6.26 of the current water rate for capital replacement and debt. Mr. Walker asked also about the effects of this

project on consolidation of water systems. Mr. Price said it was a positive—if there ever was a merger it would be with a minimum of conflict.

Chairman Scott asked for public comment. Ray Davis of the State Engineer's office noted that SVGID did not have a current water conservation plan as required by NRS 540.131. Mr. Price said they do have a Water Conservation Plan with the State that was dated 1992, and they were going to supply an updated version as far as dates and concept. He referenced a regional conservation plan, and Mr. Walker wondered if the regional plan had a tiered rate structure. Mr. Price said they were not focusing on the rate structure per se but to get everyone on the same watering days. The three entities in the Truckee Meadows are already similar in their programs in most respects. Mr. Collins added that SVGID currently has one tier at \$2.18 per thousand gallons.

**Motion:** Mr. Goetsch moved to approve the loan commitment from the DWSRF to Sun Valley GID in the amount of \$3.4 million (he then read the resolution). He noted the resolution included reference to conditions to be negotiated by the Division and Sun Valley GID and stated that as part of his motion these should include an approved water conservation plan prior to the loan taking place. Mr. Walker seconded, and the vote was unanimous in favor (Mr. Firth abstained).

Before moving to the next agenda item Mr. Walker noted that there were no more SRF funds available in the loan program for the 2008 fiscal year. Ms. Basham said they anticipated \$3.3 million from a bond sale by the end of July, and they have submitted their federal grant application and anticipate receiving those funds in the August time frame. There would be funds from this program available for the next Board meeting.

Chairman Scott now moved down the agenda to:

**E. CAPITAL IMPROVEMENT GRANT PROGRAM**

**1. Financial Report \* Summary - Dave Emme (Non Action)**

Dave Emme, Bureau Chief of Administrative Services for NDEP, presented the financial summary contained in Appendix 4.

Mr. Emme said he would try to show some projections to give a more complete picture of projected cash flows. With the additional allocation provided by the Treasurer this year, cash flow is projected to be in good shape through the current biennium. The April bond sale provided \$17 million that is being used to pay current obligations, and the July sale that Ms. Basham mentioned should provide an additional \$13 million to carry through the remainder of the biennium (through FY 09). In terms of the statutory authority cap of \$125 million, he said that authority should be available through the next biennium. Longer-term projections, assuming that there is something of a spike in demand through the next two years, show that the program should approximately match annual bond debt retirement with grant requests—a sustainable situation where the program could run without having to raise the \$125 million authority cap.

Chairman Scott noted that they could not be sure if bond sales were tied to a shorter or longer term bond. Mr. Emme agreed there was bit of guesswork involved in that, but the Treasurer can provide that information.

Mr. Walker asked about the "red numbers" in the second column. Mr. Emme replied that this showed the program had gone slightly over what had been allocated, but actually there

were plenty of bond funds available. It represents authority from the Treasurer to this program.

Mr. Firth asked if arsenic treatment costs had been factored in to these numbers. Mr. Emme said that they had planned on about \$8 million for "high-priority" projects. Some of the projects on the agenda today were included in this figure. Ms. Carr noted that she did not have a good feel yet for the exact total cost of arsenic treatment overall. She distributed printouts from Safe Drinking Water's tracking database showing systems that might seek funding, systems that would be eligible for extensions, etc. There was some discussion of the criteria for one or more extensions for arsenic compliance. She noted the first round of extensions would be heard by the State Environmental commission in November 2008. She said the deadline for systems to notify their customers of the possible extensions was October 3, 2008.

Chairman Scott noted that the town of Minden and East Valley Water System had entered into an agreement for an intertie that would allow them to deal with the January 2009 deadline. In response to a question from Mr. Walker, Ms. Carr noted that this arsenic list was in response to a request by Chairman Scott at the previous meeting and that the list would be updated for future meetings.

Chairman Scott now moved down the agenda to:

**2. Additional Funds:**

**a. Town of Gabbs Phase II PER (Action)**

**\* Summary - Michelle Stamates**

**\* Testimony re: Project - Samson Yao (Nye County), Marty Ugalde (Day Engineering)**

Ms. Stamates presented the prepared remarks contained in **Appendix 5**.

Mr. Firth asked for clarification on the staff recommendation that Nye Co. fund the second exploratory well. Ms. Stamates said that was correct, staff was recommending the county commit funding for that additional expense, if necessary. It was a recommendation but not a condition.

Oz Wichman of Nye Co. Public Works and Marty Ugalde of Day Engineering came forward to answer questions regarding the application. Mr. Wichman said he would like to clarify that the golf course shown on the map was a dry patch of dirt not using any water.

Mr. Goetsch noted that Mr. Ugalde had produced one of the best and most thorough PERs (engineering reports) that he had seen, and he commended Mr. Ugalde for his work on it. Mr. Goetsch also noted that Gabbs had a property tax rate at the state maximum, the current water rate at a flat \$62 was almost twice what the Board might have required, and the community was doing everything it could to carry its own weight. They have done everything recommended at the Board's approval of Phase I of the PER with the exception of developing a water conservation plan. Mr. Ugalde stated that he had submitted a draft plan, and after review by Gabbs and Nye Co., they would submit it to the Division of Water Resources. Mr. Goetsch asked also if there was any capital replacement built into the current rate structure since that was unclear in the information contained in the Board packet. Mr. Wichman believed that there was—Ms. Stamates said it was unclear. Mr. Ugalde said the Nye Co. ledgers showed a "depreciation fund" line item. He added that the flat rates were \$62 per month for residential water users, \$75 for large users, and \$125 for

the Nye Co. School District. Those rates produce about \$13,000 per year for capital replacement costs. There is an audit of the Nye Co. accounting in progress.

Mr. Goetsch asked how much confidence Mr. Ugalde had in either one well or two wells. Mr. Ugalde said that based on the opinions of a hydrogeologist, he had a fair amount of confidence in the report and that there should be a fair amount of water at the airport well. There is water at Well #1, about one mile from the proposed site. The airport well has various infrastructure advantages. Table 2 in the application is an estimate for a second exploratory site in case the airport well does not produce water. He then spoke about some technical aspects of the drilling and water quality sampling.

Mr. Firth asked about water rights for the existing well—there was one water right in the basin for 306 acre-feet. Nye Co. has filed an application for the waters with beneficial use on Well #1 of about 200 acre-feet. Sixty acre-feet were moved to the backup well (Well #8) for road maintenance and airport improvement use. If the new well was successful, there may need to be additional filings, but the bottom line was the system had sufficient water rights. Mr. Firth asked about the meters that are not being used. The meters were installed around 1989. Mr. Ugalde said he would like to test the existing meters to see if they are still functional. Mr. Firth noted that in the packet there was a note that per capita water use seems quite high. Mr. Ugalde said that some of it may be because of a high flat water rate. The metering would presumably change that.

Mr. Walker wondered if drilling in the same hydrographic basin could produce more or better quality water in a new well unless there was a different source of recharge. Mr. Ugalde said that one aspect was that Well #1 was stopped at 300 feet and he did not know what other aquifers might be available at different depths. There did not seem to be a significant recharge component in the basin, but a second well might spread out the use of the aquifer.

Mr. Walker also had a question about Table 1. Engineering costs are \$17,000 or 22 percent of the overall project. Mr. Ugalde noted that a consultant will sit the well while drilling and log the cuttings, identify the lithology, review the e-log, provide construction inspection, etc. This will be a hydrogeologist.

Chairman Scott asked about the arsenic level in Well #1. Mr. Ugalde did not have a weighted average but said that it was in compliance with the arsenic standard and in the range of 7 to 9 parts per billion. Chairman Scott noted that fluoride was driving the project and the need for another source.

Chairman Scott also noted that after this exploratory phase of the project was completed, if Gabbs came back for construction grant funds, he wanted to emphasize that the Board was very strong on metered rates and the water conservation aspects of using meters. He said the Board would also want clarification on the existence or establishment of a separate, identifiable capital replacement reserve fund. He asked the representatives to take these considerations back to the Nye Co. Commission.

Mr. Firth asked about the pumping capacity of the existing well and was told that it was 390 gallons per minute. Mr. Ugalde noted that, with the existing well and tank, there is sufficient commercial fire protection and flows except for one small area, and that, overall, the system is in good shape. In response to a question from Mr. Walker, Mr. Wichman said that the Nye Co. Water District entity authorized by SB 222 was not, yet, a working entity in the County.

Mr. Wichman said he also wanted this Board to know that this morning, June 19, 2008, the Nye Co. Commission held a special meeting and had voted to fund the second exploratory well, if necessary, as recommended by the staff report.

**Motion:** Mr. Walker moved to approve the grant funding per the resolution as presented in the staff report. Mr. Firth seconded. He asked about the time-frame to complete this phase of the project. Mr. Ugalde said he would like to have an idea of where to site a new permanent well by the end of this summer. Mr. Goetsch said he would like to be clear that this was a Phase II PER for \$63,920 or 85 percent of estimated costs, including the conditions in the staff report. Mr. Walker agreed that that was his motion. The vote was unanimous in favor.

Chairman Scott now moved down the agenda to:

**b. Virgin Valley Water District (Action)**

\* Summary - Michelle Stamates

\* Testimony re: Project - Mike Winters (Virgin Valley), Thayne Clark (Bowen Collins and Assoc)

Ms. Stamates presented the prepared remarks contained in **Appendix 6**.

Ms. Carr said that she had a clarification on the presentation—on page 3 it states the average arsenic concentration is 28. Depending on location it is as high as 97. Other wells are in the 50-70 range but some wells are lower.

Mr. Firth asked about the increased sludge handling costs—were they because of agency requirements for a different design? Ms. Stamates explained that Virgin Valley had gotten started very early in designing a treatment for their arsenic problems, even before all standards and details of permitting were available, as is summarized in the letter in the Board packet.

Mr. Walker noted that in the conditions it said the district needs to “create a plan to establish water rates” in line with the Board’s policy. He suggested it be stated more strongly. Ms. Stamates explained that the increase in rates would help the system increase capital reserves that they are now tapping.

Mr. Winters and Mr. Clark now came forward to address the Board.

Mr. Winters noted there was something he had neglected to inform Ms. Stamates about. The residents of Bunkerville have two water bills—one for culinary water and an additional bill for the secondary system mixing Virgin River water with potable water for outdoor use. There is a charge of approximately \$10 per month added to the billing mentioned in the report. He added that they found a new site for the treatment plant for Well #27. He noted that being first in working toward arsenic treatment and compliance with the new rules had led to some additional expenses.

Chairman Scott stated that Virgin Valley had been caught in a situation where the standards for the backwash water had not been set when some of the methods to be used by the system were decided. He said he understood the situation and also commended the District on obtaining funding from a variety sources.

Mr. Goetsch noted that he had questions about the rates—both the community water rates and the property tax rates are low compared to the rest of the state. He said that

increases would probably be attached to any increase in grant funding and suggested that it could be on the bill as a separate charge attributed directly to state and federal standards. He noted that the state was being asked to contribute about \$22,000 per customer for these improvements. Mr. Winters asked about waiting to see what operating costs would be, but Mr. Goetsch said he suggested an immediate increase and then a further increase in a year.

Mr. Firth asked if he read correctly that rates would go up 10 percent next year, then at least 2 percent per year, and this was confirmed.

Mr. Walker asked about the Total Dissolved Solids (TDS) in the Virgin River, and Mr. Winters answered that at the worst time of year they were about 3600 ppm. Right now, the TDS was about 1500 ppm. Mr. Walker added that he agreed that right now there was a little too much subsidy unless there was a commitment to increase water rates.

Chairman Scott said that he had clarified to his satisfaction that this proposal was for the Bunkerville system only.

**Motion:** Mr. Goetsch moved to approve the additional grant amount of \$1,284,040—approximately 68.3 percent of the increase in the eligible project costs—the new grant total was not to exceed \$3,284,177.16 and that it be subject to the conditions in the staff report with the change to the third condition—that Virgin Valley does not have to “create a plan” but that they have to “establish and institute” water rates that meet or exceed the Board’s policy on water rates and that they have an approved water conservation plan in place at the time of the grant. Mr. Firth asked Mr. Goetsch if he would add a time frame. Mr. Goetsch said it has to be implemented in order to receive the money. Mr. Firth said he would second the motion.

Mr. Winters asked about the water conservation plan—he said that they had submitted it to the Division of Water Resources. He was advised to contact them to see what might be delaying the approval.

Ms. Stamates asked for clarification on the distribution of funds—did the system have to have a rate “implemented” that met the 1.5 percent of the MHI? Mr. Goetsch said that he had a problem with just setting a date because certain systems had agreed to that but once the funds were disbursed and spent they failed to follow through, and the Board had no way of enforcing those conditions.

Chairman Scott asked if the Virgin Valley Water District could meet Mr. Goetsch’s concerns by setting an enforceable schedule, compressing the increases into a defined period. Mr. Goetsch said his goal was to tie the money to the increase in grant funds. He would accept that it be scaled in, with the final installment contingent on the final rate increase.

Mr. Walker discussed possible language in the condition. Ms. Stamates asked if the \$10 in their additional bill counted in the water rate equation—did they need to increase their total current total water bill from \$43.10 to approximately \$48 to meet the criteria? Mr. Walker said he would argue that the \$10 not be counted in the water rate as the rates need to go up to treat arsenic and that includes only domestic water use. Chairman Scott noted that they blended varying amounts of treated water with river water for the outdoor water depending on river flows and time of year.

Mr. Goetsch said he would restate the condition: The \$10 was eligible for inclusion in the monthly water rate, and by the District’s accounting, the total current water rate is \$43.10

and it needs to go up to \$48.75 for 15,000 gallons of water used if the District wants the additional grant funding. In response to Mr. Winters, Chairman Scott said that if the system meets the condition it will be able to be approved at staff level.

Counsel Menicucci noted that on page 7 there is discussion of a two-year funding agreement, and he said that he did not know if that was in the operative documents. Ms. Stamates said the regulations allowed for up to five-year agreements, but given the deadline for arsenic compliance, staff suggested a two-year term for the amended funding agreement.

Chairman Scott now called for a vote on the motion, which was unanimous in favor.

He now moved down the agenda to:

**3. Funding Agreement Time Extension:**

**a. Kingsbury GID (Action)**

\* Summary - Michelle Stamates

\* Testimony re: Project - Michelle Runtzel, Robert Cook and Cameron McKay (Kingsbury GID)

Ms. Stamates presented the prepared remarks (memo to the Board) contained in **Appendix 7**.

Chairman Scott recused himself for this item because of current work he had with the Kingsbury system. Mr. Goetsch acted as temporary Chairman.

Mr. Firth asked for clarification on what exactly was left on Phase I—the answer was a small portion of water line and the storage tank. Ms. Stamates added that there was about \$3.4 million left in grant funding.

Mr. Walker asked if there were any remaining permitting issues that had to be resolved. Ms. Stamates said not that she knew of for the pipeline, but she would let the system representatives answer questions about the tank.

Cameron McKay, General Manager, and Michelle Runtzel, Business Manager from Kingsbury came forward to answer questions.

Mr. McKay stated they expected to move ahead with bids for the water line completion and with site work for the tank during the next few weeks. He said they were moving ahead with installing meters in-house, with proposals for the supply of approximately 250 meters due this week, and also continuing with new meter installations as the new water lines are put in. He clarified that the tank is going back to its original location which has an easement in place. The property is outside the Tahoe basin and outside the Tahoe Regional Planning Agency jurisdiction. The tank will be partially buried.

Mr. Goetsch asked if everything would be complete by fall 2009 on the proposed schedule, and Mr. Cameron said “yes.” He clarified that demolition of the old tank was not included.

Mr. Goetsch moved on to the original condition of an approved metering plan. He read a portion of a letter addressed to Kingsbury dated April 9, 2008, where the Board expressed “disappointment” in the apparent lack of commitment to install meters and charge a metered rate.

Mr. Goetsch said the District's letter in response was good, with additional information showing substantial rate structure increases. It proposed that the metering plan be implemented over a 15-year time period. It spoke of analysis and challenges with multi-family properties and other matters. Mr. Goetsch said it appeared that the system would have the original project phase completed approximately 18 months from now but was looking for 15 years to complete metering requirements that were part of getting money from the State.

Mr. McKay said that he believed the requirement was to submit a plan and estimate—he did not believe installing the meters was part of the amended agreement. He said that installing 2,000 meters “in-house” was a daunting task. They planned on installing the 250 meters now and getting data for rates based on the usage. Mr. Goetsch said he thought it was absolutely right to find a way to fund the metering within the rates—some systems set a rate that makes it advantageous to have a meter. He added that he was still not convinced that the plan presented met the Board's desire to have metering instituted as a condition of receiving significant additional funding.

Mr. Firth stated that he also had concerns, he did not think what had been submitted to the Board was actually a metering plan, rather some scenarios where metering might happen. He said his experience with TMWA where they had installed 40,000 meters, including many multi-family situations, and the experience of other fully metered systems around Lake Tahoe, should provide the data needed to set rates. He felt that 15 years was not acceptable as this is not something that has never been done before, and the system should not need a year of data to set rates.

Mr. McKay noted that on the Nevada side of the Lake the only fully metered system was Round Hill GID, which had been installed when he was the manager. He had just moved into his position at Kingsbury three days ago. He and Ms. Runtzel clarified that the 15-year scenario was a fully self-funded plan. They stated that they would certainly appreciate funding to speed it up. They also clarified that they did already have a metered rate approved, and they would charge it when a meter was installed. There was already metering of commercial customers. All apartment building are also metered. Ms. Runtzel also noted the problem that almost half of the customers are multi-family dwellings that do not have separate service. Mr. McKay added that they expected to come back to the Board for funding for meters and that in their “Scenario 1” the meters would all be installed in two years. Mr. Firth said that the Board needed firm numbers. Mr. McKay said that would be presented with any application for funding.

Mr. Goetsch asked if loans as well as grant funds could be used for meters, and Ms. Stamates said yes.

Mr. Walker asked what percentage of the homes served were permanently occupied. Ms. Runtzel said they estimate 30-40 percent were vacation rentals. Mr. McKay said that all of these would pay the base rate when unoccupied. Mr. Walker asked if the new meters were going into any multi-family dwellings that might provide data, and Ms. Runtzel said yes, there is one area with several multi-family dwellings. Mr. Walker summed up by saying that the Board was looking for commitment and long-term accountability for metering.

Mr. Goetsch said he thought they had offered some good ideas, and Scenario 1 was what the Board expected as an appropriate plan.

Mr. McKay said they would have a formal plan when the PER is submitted in August 2008.

Ms. Stamates clarified that the metering report by Kingsbury was in response to the Board's request, and that the motion to approve the extension could have some contingency including an approved metering plan. Mr. Walker said that he would want a plan with specifics at the next Board meeting.

Counsel had questions about conditions and said that he would like to review the applicable agreements over the lunch hour. Mr. McKay said he would suggest that the conditions of the amended agreement—that no funds would be released until the plan is submitted—would simply be restated, and he would submit the plan prior to the next Board meeting.

**Motion:** Mr. Firth moved to approve the extension of the existing amended funding agreement for the Kingsbury GID Phase I project for a period not to exceed two years—the existing amended agreement requires an acceptable metering plan and the plan would be submitted in time to be placed on the agenda of the September meeting. Mr. Walker seconded.

Ms. Stamates asked whether the plan had to be approved by both the GID Board and the public. Mr. McKay said by the GID Board. Ms. Runtzel said that they had held a recent public hearing. Mr. McKay said he understood that they could go ahead with a formal metering plan to the GID Board and have it back to this Board in time for the September meeting.

The Board agreed to hold the vote on the motion until after the lunch break to allow time for counsel to read the relevant documents.

Mr. Goetsch declared a lunch break with the meeting to resume at 1:25 pm.

(BREAK)

After the meeting reconvened, counsel advised that he had read the relevant documents including the notice of this meeting and the original grant agreements. He found the conditions in the motion were consistent with existing conditions and the Board was well within the noticed agenda item to include the condition.

Mr. Goetsch now called for a vote on the motion, which was unanimous in favor, with Chairman Scott abstaining.

Chairman Scott now took back the gavel and moved down the agenda to:

**4. Progress Report for Funded AB198/AB237 Projects (Non Action)**  
**\* Summary - Michelle Stamates**

Ms. Stamates' summary is included in **Appendix 8**. She added that the letter to the Metropolis Irrigation District, based on the Board's request at the last meeting, was included to keep the Board informed of what was sent.

There were a number of questions from Chairman Scott. He asked about the status of the Walker Lake project—drilling was to begin a year ago, but had it? Ms. Stamates said they had not started. They had recently bid the job and gotten one bid; however, Humboldt Drilling had not, yet, started the job. They believed it could be completed by September, and they are coming to the end of their funding agreement administration period. Chairman Scott asked about updates on earthquake damage in Wells. Ms. Stamates said she had not received any further information, and they had not yet bid the new tank. He also

inquired about Yerington, saying that it looked like they may not come to the Board for funding of a construction grant for arsenic treatment; however, the Crystal Clear system depended on Yerington. Yerington is still not arsenic compliant. Ms. Carr noted that based on population, Yerington was probably eligible for an extension. Finally, Chairman Scott said he had heard that in Lovelock Meadows the news on pump testing had been disappointing and was that because of quantity or quality? Ms. Stamates said probably quantity. There was some question of whether the aquifer/pump testing had been carried out properly. They probably would not bid the project until November or later now.

When there were no further questions, the Chairman moved down the agenda to:

**F. SB62 GRANT PROGRAM**

**1. Funding Agreement Time Extensions (Action)**

**\* Summary - Michelle Stamates**

Ms. Stamates presented the prepared remarks (memo to the Board) contained in **Appendix 9**.

Ms. Stamates noted that funding agreements for the SB 62 grants were written for a two-year time period, and they originally did not have good information on how long these projects might take. Several of the projects are now just finishing or near completion. She stated that she would like the Board to approve one-year extensions for the projects that were not, yet, complete. Chairman Scott said that they all seemed to be making good progress. He added that the one he had concerns about was Topaz Ranch Estates.

Mr. Goetsch expressed an interest in hearing from any representatives of systems who might be present. Ms. Stamates noted that she had asked that systems submit a letter requesting the extension, but they had not been specifically invited to address the Board, and she did not want the Board to penalize anyone who had not attended. Chairman Scott said he understood. He said he would like to hear from Topaz Ranch Estates since they were here.

Adam Scott from TEC Engineering, consulting engineer for Topaz Ranch Estates, came forward. He noted the factors resulting in the delays to the project—including moving the location of the well. There was a change in the makeup of the TREGID Board, and they could not come to agreement with the developer who owned the land originally chosen for the new well site. They then moved the new site to county park land. The design plans for the AB198 construction project—including the new well—are done and submitted to NDEP and the USDA. They hope to get the project out to bid by July 31 with work starting a month later. The project should be finished before the end of May 2009. Part of the SB 62 money is to map water rights to this new well after they are moved. In response to a question from Mr. Walker, he added that these were the original Arden water rights. It would not be a change of use. Ms. Stamates noted that the SB 62 money was only for the mapping of those rights.

Mr. Goetsch asked if any of the listed systems would have difficulty completing projects within the one-year extension time-frame. Ms. Stamates said Eureka would be the only one that would be close. Chairman Scott said Searchlight looked like it could be administratively tight. Ms. Stamates said Searchlight should have their BLM approval before the end of the year and should be able to do the monitoring well drilling and construction.

Mr. Walker noted a potential personal conflict as he had a contract with Eureka County and would feel uncomfortable voting on it.

Chairman Scott suggested a separate motion and vote for Eureka County. It was also noted that Mr. Goetsch was a member of the Central Nevada Regional Water Authority Board. Given that, Mr. Walker said he would try a motion with the others, and then those two could be voted on separately with the appropriate member abstaining.

**Motion:** Mr. Walker moved to approve the one-year extensions for submission of final products under the SB 62 grant program to the list of grantees, excluding Central Nevada Regional Water Authority and Eureka Co. Mr. Goetsch seconded, and the vote was unanimous in favor.

**Motion:** Mr. Goetsch moved to approve the one-year extension for Eureka County, was seconded by Mr. Firth, and the vote was unanimous in favor, with Mr. Walker abstaining.

**Motion:** Mr. Firth moved to approve the one-year extension for Central Nevada Regional Water Authority, was seconded by Mr. Walker, and the vote was unanimous in favor, with Mr. Goetsch abstaining.

The Chairman now moved down the agenda to:

**2. Progress and Financial Report for Funded SB62 Projects (Non Action)**  
**\* Summary - Michelle Stamates**

Ms. Stamates' summary is in **Appendix 10**.

There were no additional comments or question from the Board, so Chairman Scott moved to:

**\* Central NV Regional Water Authority Presentation - Steve Bradhurst & Dave Wooldridge (DWR)**

The representative from Central NV Regional Water Authority (CNRWA) was Steve Bradhurst, Executive Director, and he was joined by Dave Wooldridge of the Nevada Division of Water Resources. Their presentation is contained in **Appendix 11**. Mr. Wooldridge demonstrated, on line, the live mapping tools involved in the project.

At the conclusion of the presentation Chairman Scott noted that the SB 62 program was a grant program, and one of the long-term concerns was update and maintenance. It seemed, from the presentation, that as long as the data were provided, this would continue to be a dynamic process. Mr. Bradhurst agreed and added that the CNRWA has discussed going out and getting additional water-level data from the counties and various sources to provide a good long-term baseline. He said the authority had voted to partly fund this with the remaining \$10,000 from the grant.

Mr. Firth asked about funding of the CNRWA, and Mr. Bradhurst confirmed it was through an annual assessment to each member county of \$3,500, and the SB 62 grant was a lifesaver. He noted that page 10 of the presentation also showed the USGS' contribution.

At the conclusion of the presentation Mr. Walker asked Mr. Wooldridge about adding additional geological soils data, and Mr. Wooldridge stated that if he could obtain a properly formatted file, he could do it. He said he would see if he could find one.

Mr. Goetsch noted that the CNRWA has answered a lot of counties' needs, especially the smaller counties, for simple, inexpensive, accessible data.

Chairman Scott said it was nice to see the investment if SB 62 money produce a long-term benefit.

Mr. Firth noted that it was the continuing addition of data that would be especially valuable—if the project just stayed as is, it would gradually lose relevance. He also said that if and when everyone was using a common database it would enormously simplify hearings before the State Engineer, etc.

Mr. Walker noted the usefulness of possibly incorporating county parcel information layered on the maps. Mr. Wooldridge said they had some counties and were incorporating more as soon as possible.

Chairman Scott now moved down the agenda to:

#### **G. BOARD COMMENTS (Non Action)**

Mr. Firth spoke about a concern that came out of the Metropolis Irrigation District engineering design and permitting funding—the perception that by approving some preliminary funding the Board is committed to funding the full project. He wanted it to be clear that this is incorrect. Ms. Stamates noted that the funding agreements always state the precise scope of the approval. It is clear and in writing.

Mr. Walker said he had seen a common thread with regard to the projects that need extensions or have cost overruns—the underestimation of the permitting process. He felt that in the preliminary analysis the engineering part was becoming much simpler than the permitting part, and in general, he felt an improvement of the up-front information on the state of the permitting process was necessary. Mr. Firth added that they should not necessarily have to get all permits up front, but that many applicants have not even taken the first steps in the permitting process. Mr. Walker agreed. He added that perhaps the PER should have more information on the permitting. Chairman Scott said that possibly the Board should fund more permitting in the PER. Mr. Walker thought that permit applications should be at least filed before the funding is approved.

Ms. Carr said that she had committed at the previous meeting to report on the new federal groundwater rule. She said that at this point they (NDEP) had determined that they would not be able to get a permanent regulation adopting the federal rule done in the current cycle, and they could not apply for primacy under a temporary regulation, so they would apply to the EPA for an extension of primacy, thereby providing a couple of years to complete the adoption of regulations.

#### **H. PUBLIC COMMENTS (Non Action)**

There were no additional public comments.

#### **ADJOURN BOARD FOR FINANCING WATER PROJECTS PUBLIC MEETING**

Mr. Firth moved to adjourn, Mr. Walker seconded, and Chairman Scott declared the meeting adjourned.

(Minutes prepared by Robert Pearson, Recording Secretary)

## Appendix 1: SRF Loan to Gold Country Water

**Applicant: Gold Country Water Company**  
**Total Cost: \$376,000**

Gold Country Water Company is a privately owned water company regulated by the PUC located five miles south of Winnemucca. Gold Country Water serves the Gold Country Estates, portions of Thomas Canyon Acres, Grass Valley Elementary School, the LDS Church and the Baptist Church.

Gold Country's water system was constructed in 1981 by B, C and D Enterprises (Baum, Calder and Dufurrena families) to serve Gold Country Estates subdivision. The Baum family was the operator of the water system until December 31, 2001 when it was sold to Mark Foree, George Shaw and Kirk Peterson (one third ownership each). George Shaw died in 2005 but his family still retains one-third ownership of the water company.

The existing water system serves 374 customers and consists of two wells, a 285,000 gallon storage tank, booster pumps and a hydropneumatic pressure tank. The water system generally is in good condition and does not need major infrastructure improvements.

The project proposed by the Gold Country Water Company includes the installation of approximately 380 water meters and related equipment necessary to read the meters. The project also includes miscellaneous distribution system improvements including replacing the well pump and motor, well variable flow drive, replacing broken/inoperable valves, replace service line connections at main and meter. The proposed loan also includes refinancing existing debt to improve the system's financial capacity.

Environmental review of water projects is conducted by NDEP pursuant to NAC 445A.6758 to 445A.67612. Certain types of projects are eligible for a categorical exclusion from the environmental review process under NAC 445A.67583. NDEP has determined that the Gold Country Water Company project meets the required criteria because it entails the rehabilitation of an existing facility and is unlikely to have a negative effect on the quality of the environment. Meter boxes are already in place; therefore, installation of meters does not require any new land disturbance. All of the other construction is minor and will take place on already disturbed land. Consultation with the State Historic Preservation Office has been initiated. Compliance with section 106 of the National Historic Preservation Act will occur before construction begins.

Notice of the proposed categorical exclusion determination by NDEP was published in the Humboldt Sun on May 23, 2008. The notice was also circulated through the Nevada State Clearinghouse. If no comments are received after 30 days, a categorical exclusion can be granted.

Gold Country Water Company has the capacity to repay the loan based on the review of the financial information submitted with loan application. The PUC has approved a stipulation that allows Gold Country to collect a rate surcharge of \$3.90 per customer for the water system improvements funded by the DWSRF loan. The refinancing of existing debt is not included in the surcharge, but will be covered by existing rates since the DWSRF loan terms are more favorable than the existing debt.

Currently, the loan fund has \$3.9 million in uncommitted funds for future loans. If the Board approves a loan commitment to the three applicants on today's agenda (Sun Valley GID, Sierra Estates GID and Gold Country Water) it will completely obligate the current unobligated loan funds. Over the next year, the Fund will receive approximately \$3.85 million in reloan funds (net of debt service), \$6 million from the 2008 federal allocation, and match bonds of \$3.3 million, which will add another \$13 million to the fund.

NDEP recommends that the Board for Financing Water Projects approve a loan commitment from the loan fund of the DWSRF in the amount of \$376,000 to Gold Country Water Company. The resolution approving the loan commitment is included in Attachment 3.

The loan will be for a term of not to exceed 20 years and at an annual interest rate of 66% of the appropriate Bond Buyers Index at the time the loan contract is signed. The Division and the Gold Country Water Company will negotiate the terms and conditions of a loan agreement.

## Appendix 2: SRF Loan to Sierra Estates GID

**Applicant: Sierra Estates GID (P.L. #52)**  
**Total Cost: \$210,000**

Sierra Estates General Improvement District (SEGID) is a small 70 unit residential area located in Northern Douglas County, Nevada, approximately ½ mile west of U.S. Highway 395, extending north and south of Jack's Valley Road.

The SEGID water system consists of one well, a storage tank, and distribution. The water system was upgraded in 1981, with new water mains and fire hydrants. Although the system is generally in good condition, there is no backup water source or alternative source of power. Nevada Administrative Code requires a redundant source of water and an alternative source of power for water systems. The proposed project is to provide an intertie between the existing SEGID water system and Douglas County's North County water system which will bring the SEGID into compliance with the State requirements and allow the isolation of the storage tank and well for maintenance activities without disrupting service. Improvements for the intertie include a pressure reducing valve, flow meter and associated piping. The proposed project also includes recoating the inside and the outside of the storage tank, abandonment of an old well, security fence repairs, the addition of an auto dialer for the telemetry system and improvements to the tank drainage.

Environmental review of water projects is conducted by NDEP pursuant to NAC 445A.6758 to 445A.67612. Certain types of projects are eligible for a categorical exclusion from the environmental review process under NAC 445A.67583. NDEP has determined that the SEGID water improvement project is eligible for a categorical exclusion because it entails the rehabilitation of existing facilities and is unlikely to have a negative effect on the quality of the environment. Improvement of the tank drainage should have a positive effect on the environment by preventing erosion. All of the construction will take place on already disturbed land. The State Historic Preservation Office (SHPO) has been consulted. SHPO concurs with NDEP's finding that the proposed project will not pose an effect to any historic properties.

Notice of the proposed categorical exclusion determination by NDEP was published in the Record Courier and the Nevada Appeal on May 28, 2008. The notice was also circulated through the Nevada State Clearinghouse. If no comments are received, a categorical exclusion can be granted.

SEGID has the capacity to repay the loan based on the review of the financial information submitted with loan application including the 2005 to 2007 un-audited Financial Statements and the Capital Improvement Plan. The DWSRF program will also rely upon the extensive credit history obtained by bond counsel during the process of issuing the required general obligation bonds.

As I stated during Gold Country's agenda item, the loan fund currently has \$3.9 million in uncommitted funds for future loans. If the Board approves a loan commitment to the three applicants on today's agenda (Sun Valley GID, Sierra Estates GID and Gold Country Water) it will completely obligate the current unobligated loan funds. Over the next year, the Fund will receive approximately \$13 million.

NDEP recommends that the Board for Financing Water Projects approve a loan commitment from the loan fund of the DWSRF in the amount of \$210,000 to SEGID. The resolution approving the loan commitment is included in Attachment 3. The loan will be for a term of not to exceed 20 years and at an annual interest rate of 66% of the appropriate Bond Buyers Index at the time the loan contract is signed. The Division and the SEGID will negotiate the terms and conditions of a loan agreement.

## Appendix 3: SRF Loan to Sun Valley GID

## Sun Valley GID

In 2006, Sun Valley estimated that they needed \$14 million to complete the critical components of the CIP. At that time this Board approved and Sun Valley received a DWSRF loan for \$9 million since the full \$14 million was not available in the loan fund at the time. The current request is for an additional \$3.4 million to complete the second wholesale point.

The Sun Valley water system buys water wholesale from the Truckee Meadows Water Authority (TMWA). The main pump station, located adjacent to the GID office at 5000 Sun Valley Blvd, until recently, was the sole point of water supply to the Sun Valley water system. The main pump station has delivery capacity of 3600 gpm, which is the amount of water that TMWA currently can commit at this location.

The second wholesale water delivery point at Golden Valley, added in 2007, provides 1,100 gallon per minute (gpm) and provides much needed level of redundancy to the entire Sun Valley system. The criterion established for source capacity is that the two TMWA wholesale points combined must be able to supply enough water to meet the max day demand.

In January 2008, Sun Valley entered into a contract with TMWA for the delivery of water to the Golden Valley point of delivery. At the time of the 2006 loan application, the cost for the second point of delivery at Golden Valley was determined to be \$4,837,819. These costs have gone up considerably. The contract that Sun Valley entered into with TMWA has a cost of \$8,497,948. The costs include the supply/treatment fee, the feeder main fee and buy-in for TMWA facility improvements made to accommodate the Golden Valley wholesale delivery point. Loan #1 reimbursed \$3,997,290 of these cost. Proposed loan #2, if approved, would cover an additional \$3.4 million. Sun Valley will cover the remaining \$1,100,658.

In 2006, the project was issued a categorical exclusion from the environmental review process under NAC 445A.67583. The categorical exclusion is valid for 5 years (NAC 445A.67586). No additional environmental review is required.

SVGID has the financial capability to handle the loan. In 2006, the Debt Management Committee approved Sun Valley for \$14 million in general obligation bonds. In the general obligation bond, the full faith and credit of the District are irrevocably pledged. In addition, provision has been made in the bond for the District to levy and collect general ad valorem taxes

against all taxable property within the District sufficient to pay bond requirements. The bond is equally secured by the pledge of Net Revenues and this pledge constitutes an irrevocable lien on net revenues.

As I stated during Gold Country's agenda item, the loan fund currently has \$3.9 million in uncommitted funds for future loans. If the Board approves a loan commitment to the three applicants on today's agenda (Sun Valley GID, Sierra Estates GID and Gold Country Water) it will completely obligate the current unobligated loan funds. Over the next year, the Fund will receive approximately \$13 million.

NDEP recommends that the Board for Financing Water Projects approve a loan commitment from the loan fund of the DWSRF in the amount of \$3.4 million to Sun Valley GID. The resolution approving the loan commitment is included in Attachment 3. The loan will be for a term of not to exceed 20 years and at an annual interest rate of 66% of the appropriate Bond Buyers Index at the time the loan contract is signed. The Division and the Sun Valley GID will negotiate the terms and conditions of a loan agreement

## Appendix 4: Grant Program Financials

AB 196 Program  
Projected Cash flow through SFY 2011

DESCRIPTION	Available Cash			Available Treasurer's Allocation			Available Statutory Authority			Grant Obligations		
	INCREASE	DECREASE	BALANCE	INCREASE	DECREASE	BALANCE	INCREASE	DECREASE	BALANCE	INCREASE	DECREASE	BALANCE
July-September 2008 (Est.)			80,430			7,757,875			62,135,200			42,444,706
Bond proceeds	17,176,591		17,257,021	22,000,000	17,176,591	12,581,284		17,176,591	44,958,609			42,444,706
Projected Pay Requests		6,370,230	10,886,791			12,581,284			44,958,609		6,370,230	36,074,476
Projected Transfer to 4155 (Operating Acct)		60,000	10,826,791			12,581,284			44,958,609			36,074,476
			10,826,791			12,581,284			44,958,609			36,074,476
July-September 2009 (Est.)			10,826,791			12,581,284			44,958,609			36,074,476
Projected Pay Requests (60% of July-Dec est.)		8,720,340	2,106,451			12,581,284			44,958,609		8,720,340	27,354,136
Projected Bond Needs	13,000,000		15,106,451		13,000,000	(418,716)	3,133,121	13,000,000	31,958,609			27,354,136
2008 principal repayments on bonds			15,106,451			(418,716)			35,091,730			27,354,136
Projected Transfer to 4155 (Operating Acct)		80,000	15,026,451			(418,716)			35,091,730			27,354,136
			15,026,451			(418,716)			35,091,730			27,354,136
October-December 2008 (Est.)			15,026,451			(418,716)			35,091,730			27,354,136
Projected Pay Requests (40% of July-Dec est.)		5,813,560	9,212,891			(418,716)			35,091,730		5,813,560	21,540,576
Projected Transfer to 4155 (Operating Acct)		25,000	9,187,891			(418,716)			35,091,730			21,540,576
			9,187,891			(418,716)			35,091,730			21,540,576
January-March 2009 (Est.)			9,187,891			(418,716)			35,091,730			21,540,576
Projected Pay Requests		3,102,000	6,085,891			(418,716)			35,091,730		3,102,000	18,438,576
Projected Transfer to 4155 (Operating Acct)		25,000	6,060,891			(418,716)			35,091,730			18,438,576
Projected Bond Needs			6,060,891			(418,716)			35,091,730			18,438,576
			6,060,891			(418,716)			35,091,730			18,438,576
April-June 2009 (Est.)			6,060,891			(418,716)			35,091,730			18,438,576
Projected Pay Requests		3,102,000	2,958,891			(418,716)			35,091,730		3,102,000	15,336,576
Projected Transfer to 4155 (Operating Acct)		25,000	2,933,891			(418,716)			35,091,730			15,336,576
2009 principal repayments on bonds			2,933,891			(418,716)	3,687,868		38,779,598			15,336,576
			2,933,891			(418,716)			38,779,598			15,336,576
July-September 2009 Projection			2,933,891			26,350,000			38,779,598			15,336,576
Projected Bond Needs	14,000,000		16,933,891		14,000,000	12,350,000		14,000,000	24,779,598			15,336,576
Projected Pay Requests		15,000,000	1,933,891			12,350,000			24,779,598		15,000,000	336,576
Projected Transfer to 4155 (Operating Acct)		180,000	1,753,891			12,350,000			24,779,598			336,576
2010 principal repayments on bonds			1,753,891			12,350,000	4,195,176		28,974,774			336,576
Projected New Grant Awards			1,753,891			12,350,000			24,779,598	9,100,000		9,436,576
			1,753,891			12,350,000			24,779,598			9,436,576
October-December 2009 Projection			1,753,891			12,350,000			24,779,598			9,436,576
Projected Bond Needs	12,000,000		13,753,891		12,000,000	350,000		12,000,000	12,779,598			9,436,576
Projected Pay Requests		11,350,000	2,403,891			350,000			12,779,598		11,350,000	(1,913,424)
Projected Transfer to 4155 (Operating Acct)		180,000	2,223,891			350,000			12,779,598			(1,913,424)
2011 principal repayments on bonds			2,223,891			350,000	4,367,660		17,147,258			(1,913,424)
Projected New Grant Awards			2,223,891			350,000			17,147,258	10,100,000		8,186,576
			2,223,891			350,000			17,147,258			8,186,576

Note: Debt service payments are estimates; these are reflected as increases to Available Statutory Authority.

DEmme 6/6/2008

## Appendix 5: Gabbs Phase II PER Grant Request

**PROJECT: Preliminary Engineering Report (PER) for Fluoride Mitigation and Distribution System Improvements – Phase II**  
**APPLICANT: Nye County Public Works for the Gabbs Water System**

**1** The Town of Gabbs is located in northwest Nye County, 30 miles south of the old Middlegate Station at the intersection of Highways 50 and 361. Gabbs is approximately 77 miles southeast of Fallon.

**2** In the late 1920s, brucite was discovered in the valley. Brucite production grew slowly then boomed with the onset of World War II and the need for magnesium in the production of defense weaponry. By the end of 1942, hundreds of workers and their families lived in new town sites named North Gabbs and South Gabbs. Gabbs became the only city in Nye County on March 29, 1955. At that time, the area mines were still operating at full capacity and were the life-blood of the community.

The city fared well for many years and at its peak may have reached 1,000 residents. Since then, mining operations have been severely curtailed, and as of the 2000 census, it was the smallest city in Nevada having a population of 318. Gabbs' tax base could no longer sustain a municipal government and, for the first time in over 100 years, the state legislature disincorporated a municipality. On May 8, 2001, the city was unincorporated and once again became the Town of Gabbs. The population forecast from the State Demographer's Office appears to correlate with actual numbers and generally shows no expected growth.

**3, 4** The Gabbs water system has one production well (Well No. 1). Water is chlorinated at Well No. 1.

**5, 6** There is one 500,000-gallon storage tank.

**7, 8** The emergency well (Well No. 8) cannot be used as a back-up well without treatment due to high fluoride levels.

**9** Water levels in Well No. 1 have been declining at an approximate rate of 3 feet per year since 1989. In that time, fluoride levels have increased and are currently at 2.4 mg/L which exceeds the State's Maximum Contaminant Level of 2.0 milligrams per Liter. Fluoride levels in Well No. 8 exceed 8 mg/L. The Division ranked this project as a Class II water project.

Nye County uses an enterprise fund to account for its water and sewer activities in the Town of Gabbs. The water system in Gabbs is metered; however, a metered rate is not charged. Water service is charged at a flat rate of \$62.00 per month which is above the Board's recommended reasonable monthly water rate of \$35.63 per month for residential users in Gabbs.

In February 2007, the Bureau of Safe Drinking Water reviewed the grant application to complete a PER for the Town of Gabbs. Given the occurrences of fluoride and possibly arsenic, it was recommended that a PER be completed to determine the appropriate actions to take. A PER for the Gabbs water system was completed in April 2008. The water system facilities were evaluated and generally found to be in good condition. The water distribution model developed for the system and calibrated with water pressure measurements taken by town maintenance personnel gives a good representation of the system.

The PER considered both treatment and non-treatment alternatives. Given the construction costs and increased operation and maintenance costs of treatment, the more favorable alternative is the drilling and construction of a new municipal production well. During the

course of the PER, two sites were identified for test pumping and water sample analyses. These sites included an existing stock well called the "Holly Well" located in Lodi Valley approximately six miles northeast of the town and a domestic well located at the airport. Permission to access the "Holly Well" was denied by the rancher that owns the well. It is of note, however, that a sample taken from this well in December 2006 and analyzed at the Nevada State Health Lab showed an arsenic concentration of 9.0 micrograms per Liter, below the current standard of 10 µg/L, and a fluoride concentration of 0.20 mg/L which is well below the standard of 2.0 mg/L. In December 2007, Carson Pump Company mobilized to the airport site to test pump the 6-inch, cased domestic well but could not produce water to obtain a sample.

The proposed capital improvement project to mitigate the fluoride issue includes a new, primary well and appurtenances on property owned by Nye County. Well No. 1 would then serve as a back-up or emergency well to the system. The estimated total cost of the new well, pump station, transmission line, and appurtenances is just under \$1M. Operating and maintenance costs should be similar to those paid for the current system.

The County and its engineering firm, Day Engineering, recognize that it is critical to ascertain production capabilities and associated water quality under stress conditions to provide a more accurate evaluation of the aquifer characteristics. They reviewed available area well logs on file at the State Engineer's office and concluded that exploratory drilling in the alluvium and away from the eastern hills would be the most favorable location. The goal of this exploratory drilling is to determine both available water quantity and water quality. The proposed Phase II project to this PER includes exploratory drilling and construction of a test well at the airport. Should that location not show favorable results, a second exploratory well would be drilled and constructed at the golf course for the purpose of both water quantity and quality testing.

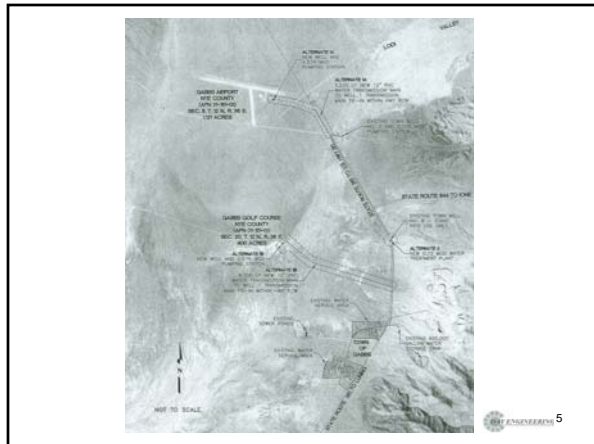
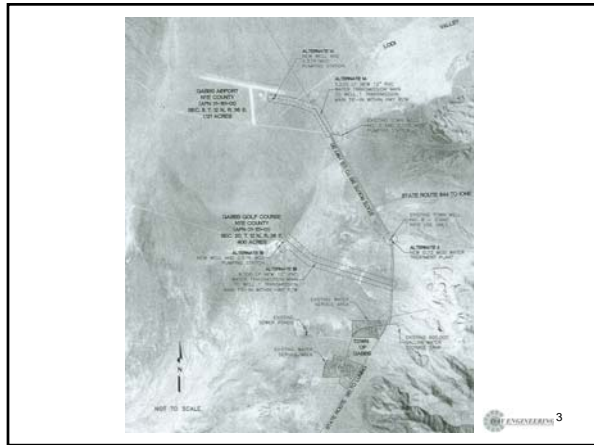
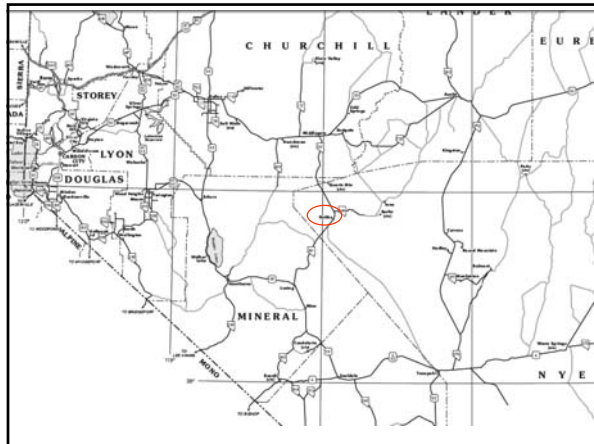
Staff recommends that the request for grant funding for a Phase 2 PER be approved for the cost of the drilling and construction of one exploratory well subject to the conditions given. The itemized costs were provided by the applicant and are shown in Table 1.

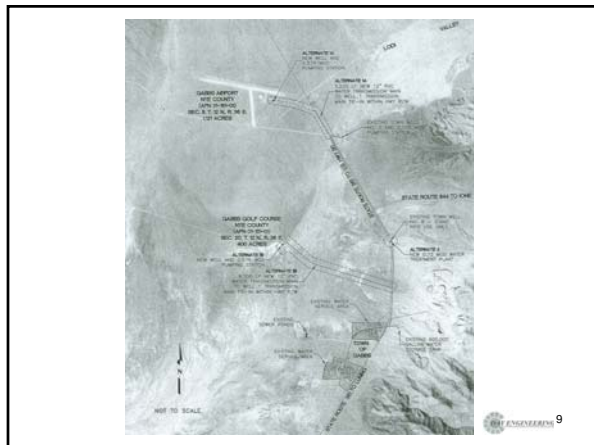
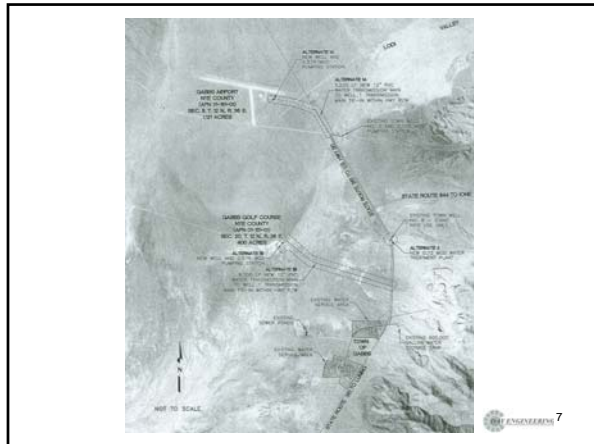
The grant amount for the Phase 2 PER should not exceed \$63,920, or 85% of the eligible project costs estimated to be \$75,200. Staff would further recommend that the County agree to fund a second exploratory well should the first effort show unsatisfactory results. The itemized costs for the two exploratory wells were provided by the applicant and are shown in Table 2. The increase in project cost is estimated to be \$22,000 should a second exploratory well be pursued. The applicant anticipates that this task can be completed in a two-month time frame.

#### CONDITIONS

1. Nye County is subject to the provisions of NAC 349.554 through 349.574 regarding the administration of this grant.
2. The addendum to the PER must conform to the requirements of the USDA Bulletin 1780-2.
3. If the drilling of a new well(s) is the preferred mitigation option, the PER needs to include the results of a contaminate source inventory survey within 3,000 feet of the proposed well(s). This inventory must be submitted to the Bureau of Water Pollution Control, Groundwater Protection Branch for endorsement prior to applying for funding of a construction project.

4. Prior to applying to this grant program for any construction projects, Nye County needs to implement a metered water rate in accordance with the Board's Policy. It was reported that all service connections were metered; however, a meter test and replacement program may be necessary as some of the meters are no longer functioning.





## Appendix 6: Virgin Valley Water District Grant Increase Request

**1 PROJECT: Virgin Valley Water District – Arsenic Treatment Facilities**

**2** The Virgin Valley Water District is approximately 80 miles northeast of Las Vegas. The District was created by the Nevada State Legislature during the 1993 legislative session and signed into law on May 10, 1993.

**3** The District initially served the Mesquite area, but was expanded to include Bunkerville. The two water systems are separate systems, with no inter-tie between them. The current service area of the DISTRICT is 312 square miles and also includes 2 sections of land located in Mohave County, Arizona, directly across the state line from the City of Mesquite.

**4** The current source of drinking water supplied by the DISTRICT is from groundwater and is produced from the Muddy Creek aquifer. The DISTRICT operates 9 production wells, 3 of which supply municipal water to the Bunkerville area.

Groundwater from the Muddy Creek aquifer contains small concentrations of arsenic. The average arsenic concentration in the drinking water supplied by the DISTRICT is 28 µg/L which exceeds the new arsenic standard. Studies to evaluate treatment alternatives for arsenic were completed in September 2002 and pilot testing of the arsenic treatment methodologies was completed in 2004. In September 2006, the State Environmental Commission granted the DISTRICT an exemption from the arsenic compliance requirement until January 23, 2009.

Five separate treatment plants are planned and under construction for the District. All will use a coagulation/filtration with chemical addition process. **5 - 14**

The total cost of the three arsenic removal plants in the Mesquite area (Sites 27, 28 and 32) was originally estimated to be \$10.2M, with 75% of that total covered by a grant from the Army Corps of Engineers. The remaining 25% is funded by the DISTRICT with the aid of \$1.7M in SRF loan funds.

The other two arsenic removal plants (Sites 29 and 31) will serve the Bunkerville area. The original total cost of these two arsenic removal plants was estimated to be approximately \$5.3M. The EPA is funding **36%** of this project through an EPA STAG grant. This was originally expected to be 55% when this grant was given and that is what was shown in the summary in your binders. 64% of the cost of this project is funded by the DISTRICT with the aid of \$2M in AB-198 grant funds, approximately \$590,000 of which was applied to the new Scenic tank and transmission line leaving approximately \$1.4M in grant for arsenic treatment in Bunkerville. The cost estimates for these project items are shown in the original grant summary included in this section of your binders.

The DISTRICT is a completely metered system. The metered water rates are currently \$33.10 per month for 15,000 gallons. The Board's recommended reasonable monthly water rate, based on a median household income of \$39,000, is \$48.75 per month for residential users. In 2007, the DISTRICT implemented a water rate increase of 10% and will implement another rate increase of 10% in January 2009. These increases are planned to cover the long term operations and maintenance costs of the new arsenic treatment plants. There is also a proposal before the DISTRICT Board to continue water rate increases at 2% per year, thereafter.

The design changes in the backwashed discharge from the treatment plants increased the estimated project cost for the two Bunkerville treatment plants as both required concrete-lined drying basins for the sludge and recycling of the backwash water. The high prevailing wage in the area and busy construction schedules for most firms led to significantly higher construction bids than originally anticipated.

With the higher than anticipated project bids, the DISTRICT used its remaining bonding capacity to secure funds to get the project started. After the new project costs were known, the DISTRICT sought further funding from the EPA and was able to secure \$260,000. The DISTRICT provided a letter from its financial consultant discussing the inability to afford additional bonds in the near future. This essentially prevents the DISTRICT from obtaining additional funding in loans from the SRF. Funds currently in their capital reserve account are now primarily earmarked to cover the cost overruns due to changes in discharge requirements for this project. This has the potential to delay other planned, critical water system improvements.

**16** Since the DISTRICT had considerable success in finding other sources of funding, their original grant request from the Board was approximately 30.41% of the total eligible cost for the Bunkerville project. That cost breakdown is shown here:

	<b>Original Eligible Project Costs</b>	<b>Original Grant Amount (30.41%)</b>
<b>Construction</b>	\$ 5,047,100.00	\$ 1,534,823.11
<b>Contingency</b>	\$ 889,420.00	\$ 270,472.62
<b>Engineering</b>	\$ 640,715.00	\$ 194,841.43
<b>Total</b>	\$ 6,577,235.00	\$ 2,000,137.16

Had the DISTRICT not been able to secure other funding, they may have qualified for as much as a 70.3% grant based on the Board's grant scale. For comparison purposes, that cost breakdown is shown here:

	<b>Original Eligible Project Costs</b>	<b>Original Grant Amount (70.3%)</b>
<b>Construction</b>	\$ 5,047,100.00	\$ 3,548,111.30
<b>Contingency</b>	\$ 889,420.00	\$ 625,262.26
<b>Engineering</b>	\$ 640,715.00	\$ 450,422.65
<b>Total</b>	\$ 6,577,235.00	\$ 4,623,796.21

The design modifications for the backwash handling occurred after the DISTRICT had sought funding from this Board. While the requirement to install arsenic treatment and subsequent requirements for permitting the backwash stream were beyond the control of the DISTRICT these are still improvements to the DISTRICT's Bunkerville water system. The DISTRICT currently has water rates that are below those rates, required by Board policy, of similar systems. With the rate increases proposed, it will be 15 years or more before the water rates meet or exceed the Board's policy on water rates at today's MHI. More significant and immediate increases in water rates would have the beneficiaries of the improvements carry more of the financial load rather than the tax payers.

**16** Under the Board's current grant scale policy, the DISTRICT would qualify for a 68.3% grant. Staff recommends that a grant increase based on eligible project cost increase be

considered for approval. These tables show the original and increase in eligible project cost as well as the grant amount already approved by the Board and an additional grant amount suggested by staff at a 68.3% of the increase in eligible project costs.

	<b>Original Eligible Project Costs</b>	<b>Original Grant Amount (30.41%)</b>
<b>Construction</b>	\$ 5,047,100.00	\$ 1,534,823.11
<b>Contingency</b>	\$ 889,420.00	\$ 270,472.62
<b>Engineering</b>	\$ 640,715.00	\$ 194,841.43
<b>Total</b>	\$ 6,577,235.00	\$ 2,000,137.16

	<b>Increase in Eligible Project Costs</b>	<b>Increase in Grant Amount (68.3%)</b>
<b>Construction</b>	\$ 1,538,000.00	\$ 1,050,454.00
<b>Contingency</b>		\$ -
<b>Engineering</b>	\$ 342,000.00	\$ 233,586.00
<b>Total</b>	\$ 1,880,000.00	\$ 1,284,040.00

	<b>All Eligible Project Costs</b>	<b>Grant Amount</b>	
<b>Construction</b>	\$ 6,585,100.00	\$ 2,585,277.11	
<b>Contingency</b>	\$ 889,420.00	\$ 270,472.62	
<b>Engineering</b>	\$ 982,715.00	\$ 428,427.43	
<b>Total</b>	\$ 8,457,235.00	\$ 3,284,177.16	<b>38.83% Grant</b>

The additional grant amount would be \$1,284,040 (approximately 68.3% of the increase in eligible project cost of \$1,880,000). Note that this increase in project cost only considers the Bunkerville treatment plants that were considered at the time of the original grant. Similar increases in cost of the plants in Mesquite are being covered by the DISTRICT. The new total grant would not exceed \$3,284,177.16 (approximately 38.83% of eligible project costs estimated to be \$8,457,235.00) and is subject to the conditions given below. As the DISTRICT needs to be compliant with the new arsenic MCL by January 23, 2009, a 2 year funding agreement term is suggested.

#### CONDITIONS

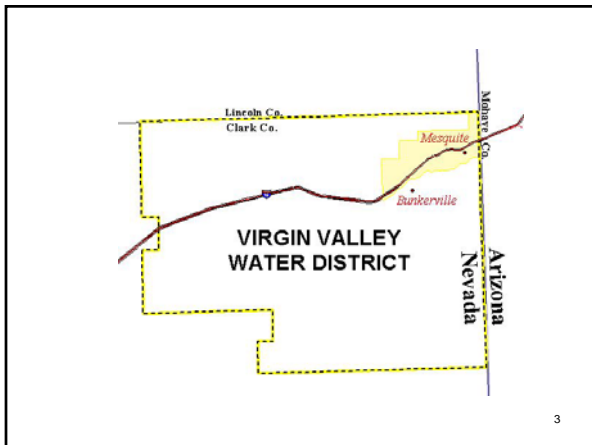
1. The Virgin Valley Water District is subject to the provisions of NAC 349.554 through 349.574 regarding the administration of this grant.
2. All assets that are funded by the AB 198 grant program are subject to the Board's policy on funding a restricted capital replacement account.
3. The Virgin Valley Water District needs to create a plan to establish water rates that meet or exceed the Board's policy on reasonable water rates in a shorter time-frame than is currently.



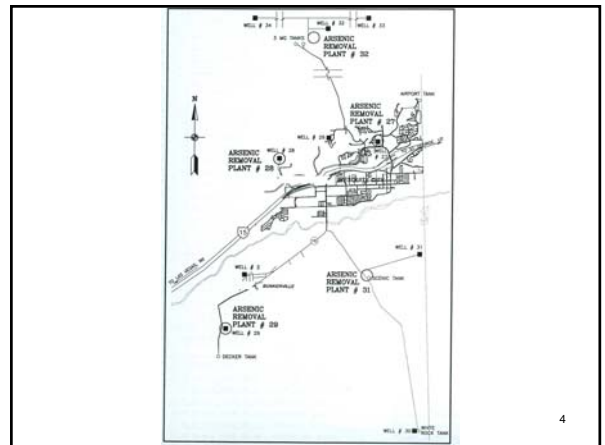
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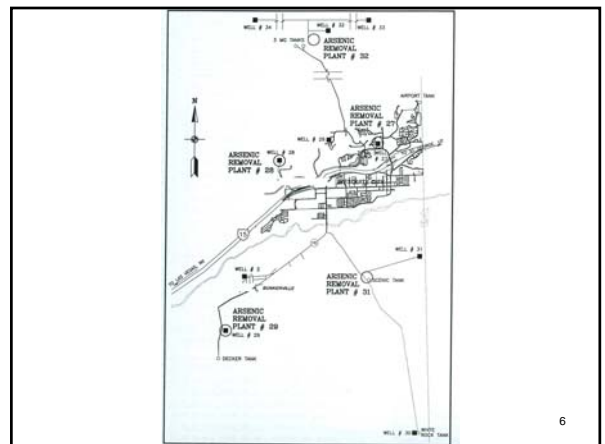
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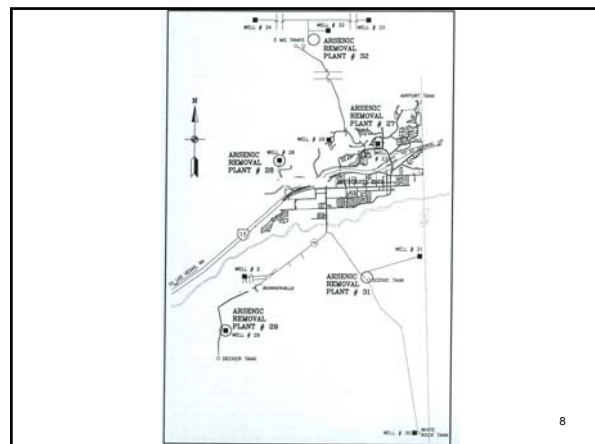
Plant 28



6



Plant 32



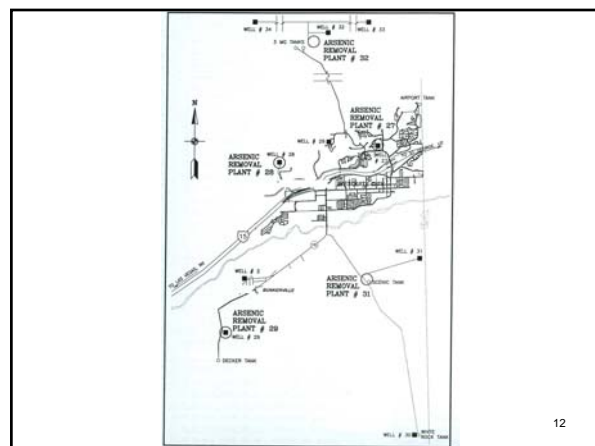
Plant 29



Plant 29



Plant 29





Plant 31



Plant 31

	Original Eligible Project Costs	Original Grant Amount (30.41%)
Construction	\$ 5,047,100.00	\$ 1,534,823.11
Contingency	\$ 889,420.00	\$ 270,472.62
Engineering	\$ 640,715.00	\$ 194,841.43
Total	\$ 6,577,235.00	\$ 2,000,137.16

	Original Eligible Project Costs	Original Grant Amount (70.3%)
Construction	\$ 5,047,100.00	\$ 3,548,111.30
Contingency	\$ 889,420.00	\$ 625,262.26
Engineering	\$ 640,715.00	\$ 450,422.65
Total	\$ 6,577,235.00	\$ 4,623,796.21

15

	Original Eligible Project Costs	Original Grant Amount (30.41%)
Construction	\$ 5,047,100.00	\$ 1,534,823.11
Contingency	\$ 889,420.00	\$ 270,472.62
Engineering	\$ 640,715.00	\$ 194,841.43
Total	\$ 6,577,235.00	\$ 2,000,137.16

	Increase in Eligible Project Costs	Increase in Grant Amount (68.3%)
Construction	\$ 1,538,000.00	\$ 1,050,454.00
Contingency		\$ -
Engineering	\$ 342,000.00	\$ 233,586.00
Total	\$ 1,880,000.00	\$ 1,284,040.00

	All Eligible Project Costs	Grant Amount
Construction	\$ 6,585,100.00	\$ 2,585,277.11
Contingency	\$ 889,420.00	\$ 270,472.62
Engineering	\$ 982,715.00	\$ 426,427.43
Total	\$ 8,457,235.00	\$ 3,284,177.16

38.83% in Grant 16



17

## Appendix 7: Kingsbury General Improvement District Grant Funding Agreement Extension

Jim Gibbons  
*Governor*

## STATE OF NEVADA



Adele Basham  
*Program Manager DWSRF*  
*Technical Assistant AB198/AB237*

Michelle Stamates  
*Engineer AB198/AB237*

Nhu Q. Nguyen  
*Deputy Attorney General*

Board Members:  
Bruce Scott, *Chairman*  
Brad Goetsch, *Vice Chairman*  
Bob Firth  
Don Ahern  
Steve Walker

Non-Voting Member:  
Jennifer Carr

## STATE BOARD FOR FINANCING WATER PROJECTS

June 3, 2008

To: Members of the Board for Financing Water Projects

From: Michelle Stamates

### **Subject: Extension of Funding Agreement Time for the Kingsbury GID Phase 1 Project**

In August 2006, the Board for Financing Water Projects (Board) amended the grant funding awarded to the Kingsbury General Improvement District (KGID) to complete Phase 1 of their water system improvements which included a new storage tank. The funding was awarded based on the understanding that the project was ready to proceed and the amended funding agreement was planned to be administered for a period of 2 years. Problems with obtaining an easement from the US Forest Service for the new storage tank have resulted in significant additional delays and now require that the site originally planned in the PER be used.

The 2-year funding agreement term will expire at the end of August 2008. KGID submitted a request for an 18-month time extension for this Phase 1 project. KGID discusses their plan for the new storage tank in their letter included in this section. Staff recommends that the Board approve the requested time extension.

KGID also provided a response to the Board's letter regarding their water metering plan. The Board's letter and KGID's response are also included in this section.

## Appendix 8: Progress Report for Funded AB198/AB237 Projects

# PROGRESS REPORT ON OPEN PROJECTS

June 2008

GRANTEE	DATE APPROVED	GRANT AMOUNT	ENGINEER	OWNER'S REPRESENTATIVE	LAST STAFF SITE VISIT	PROGRESS
Walker Lake	12/10/97	\$1,143,447.00	Farr West	Mark Nixon	Apr-07	The new well was bid and one bid was received from Humboldt Drilling. Drilling should begin in June 2007.
City of Caliente	3/14/02	\$2,021,314.72	Amec & Sunrise Engineering	April Nelson	May-07	The water meters in Caliente are installed and on-line. In February 2008, the City Council adopted and implemented a metered water rate. The status of the new well is not known. Staff is currently working with the City on other grant-related issues.
Walker River Irrigation District	3/13/02 1/22/07	\$6,685,163.19	Farr West Lumos RO Anderson Black Eagle	Ken Spooner	Feb-08	<p>The diversion structure, spillway, and levee are complete. Staff made a final walk-through of the new structures with NDWR and CA DSOD on 2/11/08.</p> <p>The diversion structure gates are manually operable. The generator still needs to be installed to run the compressor for automatic gate control.</p> <p>The outlet tunnel investigation is still scheduled for the fall 2008.</p>
Kingsbury GID	6/26/02 8/23/06	\$9,505,311.39	Amec	Cameron McKay	Sep-07	<p>All but one section of the pipeline project (Palady Perkins) is now complete. The last section is scheduled for construction in the summer of 2008.</p> <p>An easement from the USFS for a new tank site was denied. AMEC is redesigning with a concrete tank on the originally planned site above the existing Tank 10A.</p>
Wells	12/5/02 1/27/05	\$757,375.60 \$1,102,310.09	TRW Engineering	Jolene Supp	Mar-08	The installation of the well, well house, chlorination system, and SCADA are now complete. Design and bid documents are complete for the new tank and water line. The City plans to bid the tank project pending design review for earthquake stability.
Hawthorne PER	12/16/04	\$42,500.00	Farr West	Steve Gustafson		Staff is currently reviewing the completed PER.
Washoe Co for Heppner Subdivision	3/31/04	\$1,280,300.00	Washoe County	Joe Stowell	Jun-08	<p>Heppner Waterline Extensions Phase 1-3 and 5a are complete. With the improvements to Lemmon Valley Well #8 are on hold indefinitely, funding from the grant will be used to install a new waterline from the tank transmission line at Ohio St to Matterhorn Blvd along Oregon Blvd to allow efficient use of the imported water from Fish Springs Ranch.</p> <p>Construction of the tank and transmission line are in progress and should be completed by the beginning of July 2008.</p>

# PROGRESS REPORT ON OPEN PROJECTS

June 2008

GRANTEE	DATE APPROVED	GRANT AMOUNT	ENGINEER	OWNER'S REPRESENTATIVE	LAST STAFF SITE VISIT	PROGRESS
Churchill County	7/20/04 4/05 8/23/06 11/9/06	\$3,667,667.54	Brown & Caldwell/ V-Point	Milorad Stojicevic	May-08	The Sand Creek treatment system is on-line. Oasis MHP and West Star MHP are now tied into the system. Jetway Chevrolet is the last of the existing systems that will be tied in before this project is close. Construction work for the Jetway tie-in is expected in June 2008.
Golconda GID	1/27/05	\$956,478.75	Farr West	Becky Trigg	Jun-08	The new storage tank, transmission main, PRV, and all pipeline in town are complete. A last minute design change, requested by the GID, tied the fire well into the system allowing Golconda to have a back-up source of supply.
Washoe Co for Spanish Springs	1/27/05	\$4,000,000.00	Washoe County	TBD	May-07	<p>The 1<sup>st</sup> of a 9-phase sewer project is complete. The entire project is expected to take 20 years.</p> <p>The Phase 1A sewer project is complete and approximately 171 homes have abandoned their septic systems and connected to the new sewer line to date. The County is now awaiting 595 federal grant funding to begin installation of the next sewer line phase. The next project phase should begin later this year or early in 2009 and more homes will then begin to connect to the new system.</p>
Virgin Valley Water District	1/27/05	\$2,000,137.00	Bowen, Collins & Associates	Mike Winters	Mar-08	<p>The Scenic reservoir construction is complete from Well No. 30 to the distribution system.</p> <p>The new coagulation-filtration arsenic treatment facilities for the 2 Bunkerville plants were redesigned to include lined drying beds to handle the sludge from the backwash, and backwash water will now be recycled to the plants.</p> <p>Note that 5 plants are being built with 3 in Mesquite and 2 in Bunkerville. The contractor, MMC, is making good progress on 4 of the 5 treatment plants. The 5<sup>th</sup> plant had to be relocated within the City of Mesquite.</p>
Metropolis Irrigation District	1/25/06	\$489,467.40	Dyer Engineering	Vernon Dalton	Jun-07	<p>Engineering design and environmental and cultural assessment for BLM permitting is currently in progress. Easements for the roadway alignment are currently being pursued.</p> <p>At the March 2008 Board Meeting, the Board requested that a letter be sent to the District reiterating the Board's position on the current funding commitment from the grant program. This letter is included in this section for the Board's information.</p>
Beatty Arsenic PER	5/3/06	\$51,850.00	Farr West	Jim Weeks		Well EW4 is back on line and pilot testing began in March 2008. No further updates have been received.

# PROGRESS REPORT ON OPEN PROJECTS

June 2008

GRANTEE	DATE APPROVED	GRANT AMOUNT	ENGINEER	OWNER'S REPRESENTATIVE	LAST STAFF SITE VISIT	PROGRESS
Yerington Arsenic PER	5/3/06	\$47,600.00	Farr West	Dan Newell		Pilot testing began in April 2007 and is complete. The pilot testing included pH adjustments and a media switch to determine effects on arsenic removal. Staff is awaiting copies of the final PER.  It does not appear that Yerington will seek state grant funding for the construction of arsenic treatment facilities. No further updates have been received.
Pershing Co Water Conservation District	5/3/06 9/20/07	\$3,956,282.50 \$3,663,021.45	Farr West & Dyer Engineering	Bennie Hodges	May-08	The new Rogers Dam is complete.
Pershing Co for the Town of Imlay	8/23/06	\$563,993.96	Farr West	Celeste Hamilton	Jun-08	The tank and transmission line are under construction (A&K, RDC). This project should be completed by the end of July 2008.
LVVWD for Searchlight	8/23/06	\$2,536,522.34	LVVWD	Dianna Ballash	Aug-07	All four exploratory wells are complete. An approved EA was required by the BLM prior to exploratory drilling and another EA is now required by the BLM for construction of production wells, pipeline, and appurtenances. With a long approval time anticipated from the BLM, construction of the new production wells is not expected to begin until approximately December 2008 or later.
LVVWD for Kyle Canyon – Ph 2 & 3	11/09/06	\$3,202,511.74	LVVWD	Kara Petersen	Jun-06	Construction of upgraded/new mains and services at Echo View and Cathedral Rock began in May 2008 (Harber Co). Due to the short construction seasons, this project will likely take 3 summers to complete.
Gabbs PER	3/14/07	\$25,925.00	Day Engineering	Samson Yao		The PER is complete. A new source of supply is possible and exploratory drilling is expected to commence in July or August 2008. The County will seek additional funding for the exploratory drilling at the June 2008 Board meeting.
Topaz Ranch Estates	3/14/07	\$1,471,452.01	TEC	Bill Maher		Engineering design for the new well and pipeline is in progress.
Lyon Co Utilities for Crystal Clear	9/20/07	\$2,663,635.00	Farr West	Mike Workman	May-08	Design is at 90% and was reviewed jointly with Lyon Co and the City of Yerington. The BLM permit has been obtained and the NDOT permit is in process.

# PROGRESS REPORT ON OPEN PROJECTS

June 2008

GRANTEE	DATE APPROVED	GRANT AMOUNT	ENGINEER	OWNER'S REPRESENTATIVE	LAST STAFF SITE VISIT	PROGRESS
Lovelock Meadows Phase II	12/13/07	\$3,000,000.00	Farr West	TBD	Apr-08	Pump testing of the existing wells in Oreana has shown less desirable results than previously expected. The original well site evaluation is on-going with the possibility of a new site being selected. Project bidding will likely be delayed until the 4 <sup>th</sup> quarter 2008.
Moapa Valley	12/13/07	\$4,000,000.00	Bowen Collins	Brad Huza	May-08	Wiser construction started work on the 2 treatment plants (Arrow Canyon & Baldwin Springs) and pipeline to-from Jones Springs.
Alamo Arsenic Mitigation PER	3/20/08	\$102,216.75	Farr West	James Poulsen	May-08	This PER will include water quality sampling, well testing, and possibly arsenic pilot testing.
Battle Mountain Arsenic Mitigation PER	3/20/08	\$117,000	Shaw Engineering	TBD		Hydrogeologists from Newmont are working with Shaw Engineering to choose the best locations for exploratory drilling. The golf course well was sampled and met arsenic MCLs.

## Appendix 9: Funding Agreement Extensions for SB 62 Grants

Jim Gibbons  
*Governor*

## STATE OF NEVADA



Adele Basham  
*Program Manager DWSRF*  
*Technical Assistant AB198/AB237*

Michelle Stamates  
*Engineer AB198/AB237*

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Steve Walker

Non-Voting Member:  
Jennifer Carr

## STATE BOARD FOR FINANCING WATER PROJECTS

June 3, 2008

To: Members of the Board for Financing Water Projects

From: Michelle Stamates

### **Subject: Extension of Funding Agreement Time for SB62 Projects**

The following projects, funded by the Water Rights Technical Support (SB62) grants, are now complete:

- Churchill County Water Resources Plan Update (April 2007)
- Esmeralda County Water Rights Management Plan (April 2007)
- Humboldt River Basin Water Authority (Dec 2007)
- Tonopah Water Rights (April 2008)
- White Pine County Water Resources Plan (April 2008)

We added links to these documents and other deliverables (if electronically available) on our website at <http://ndep.nv.gov/bffwp/sb62.htm>.

The funding agreements for the SB62 projects were planned to be administered for a period of 2 years. This 2-year period began in January 2006. Several of the projects require additional time to complete their studies and/or other work and have requested a time extension. Letters from those grantees are included with this letter. Staff recommends that the Board approve a 1 year time extension for the following projects:

- Central Nevada Regional Water Authority
- Eureka County
- City of Fernley
- Gerlach General Improvement District
- LVVWD for Kyle Canyon
- LVVWD for Searchlight
- Topaz Ranch Estates General Improvement District
- Virgin Valley Water District

## Appendix 10: SB62 Financial & Project Summaries

**BOARD FOR FINANCING WATER PROJECTS  
SB62 FINANCIAL SUMMARY**

PROJECT NAME	GRANT AMOUNT	GRANT USED	GRANT REMAINING
Central NV Regional Water Auth.	150,000.00	116,828.03	33,171.97
Churchill County	36,500.00	36,500.00	
Esmeralda County	16,245.85	16,245.85	
Eureka County	120,000.00	60,000.00	60,000.00
City of Fernley	38,680.59	24,671.25	14,009.34
Gerlach GID	92,833.42	32,761.62	60,071.80
Humboldt River Basin Water Auth.	120,000.00	111,439.17	8,560.83
LVVWD - Kyle Canyon	27,184.72	19,168.71	8,016.01
LVVWD - Searchlight	150,000.00	2,571.41	147,428.59
Topaz Ranch Estate GID	5,221.88		5,221.88
Town of Tonopah	11,250.00	11,250.00	
Virgin Valley Water District	116,041.77	67,013.35	49,028.42
White Pine County	116,041.77	114,642.00	1,399.77
<b>TOTALS</b>	<b>1,000,000.00</b>	<b>613,091.39</b>	<b>386,908.61</b>

**SB62 Program Summary - Inception to present**

Total Grant Funds	1,000,000.00
FY 06 Expenditures	45,888.68
FY 07 Expenditures	398,263.00
FY 08 Expenditures	172,470.66
Total Grant Funds Used	616,622.34
Remaining Authority	383,377.66

**Budget Account 3175 - Summary of FY08 Activity through**

06/04/08

Beginning Cash	300,000.00
Balance Forward	255,848.00
Total Receipts / Funding Available	555,848.00
Total Payments to Grantees to Date	172,470.66
Current Funds Available for Grants	383,377.34

## SB 62 PROJECT REPORT

June 2008

Project	Grant Amount	Project Summary
Humboldt River Basin Water Authority	\$120,000.00	<p>Assemble existing information into a water resources database in support of threats to water rights. Develop recommendations for collection of additional necessary data. Develop a public information program. Deliver a summary report for each county describing available forecast of economic/demographic conditions and related water.</p> <p>Progress Report, December 2007: The Humboldt River Basin Water Authority project is complete and the documents produced as a part of that project are available electronically on NDEP's website at <a href="http://ndep.nv.gov/bffwp/">http://ndep.nv.gov/bffwp/</a> <a href="http://ndep.nv.gov/bffwp/hrbwa_sb62.htm">http://ndep.nv.gov/bffwp/hrbwa_sb62.htm</a> (contact: Michelle Stamates at 775.687.9331 or <a href="mailto:mstamate@ndep.nv.gov">mstamate@ndep.nv.gov</a>).</p>
Esmeralda County	\$16,245.85	<p>The project plan was to conduct a physical reconnaissance of the County's present water uses and existing water rights and develop a strategy to enhance and protect the County's water rights to ensure present and future water demands can be met as well as preparing a Water Rights Management Plan. All water rights identified in four hydrographic basins were reviewed. A field reconnaissance trip was conducted with the State Engineers office to physically site the locations for the point of diversion for water rights and ascertain the manner by which the appropriated water is being exercised.</p> <p>Progress Report, June 2007: The Esmeralda County Water Rights Plan is complete and available electronically on NDEP's website at <a href="http://ndep.nv.gov/bffwp/esmeralda%20county_sb62.htm">http://ndep.nv.gov/bffwp/esmeralda%20county_sb62.htm</a> (contact: Michelle Stamates at 775.687.9331 or <a href="mailto:mstamate@ndep.nv.gov">mstamate@ndep.nv.gov</a>).</p>
Town of Tonopah	\$11,250.00	<p>Assemble all active surface and groundwater rights for Ralston Valley Hydrographic Basin No. 141, Big Smokey – Tonopah Flat Hydrographic Basin No. 137, and Alkali Spring Valley Hydrographic Basin No. 142.</p> <p>Progress Report, Dec 2007: The water rights inventory and map of those rights are complete and available electronically on NDEP's website at <a href="http://ndep.nv.gov/bffwp/tonopah_sb62.htm">http://ndep.nv.gov/bffwp/tonopah_sb62.htm</a> (contact: Michelle Stamates at 775.687.9331 or <a href="mailto:mstamate@ndep.nv.gov">mstamate@ndep.nv.gov</a>).</p>
Churchill County	\$36,500.00	<p>Update of the County's Water Resources Plan for surface and groundwater resources. Review of all county records relating to water resource requirements, both existing and projected. Update of the water resource ownership in the County.</p> <p>Progress Report, June 2007: The Churchill County Water Resources Plan update is complete and available on the County's website at <a href="http://www.churchillcounty.org/planning/waterplan.php">http://www.churchillcounty.org/planning/waterplan.php</a> and is linked to NDEP's website at <a href="http://ndep.nv.gov/bffwp/sb62.htm">http://ndep.nv.gov/bffwp/sb62.htm</a> (contact: Michelle Stamates at 775.687.9331 or <a href="mailto:mstamate@ndep.nv.gov">mstamate@ndep.nv.gov</a>).</p>

## SB 62 PROJECT REPORT

June 2008

Project	Grant Amount	Project Summary
Eureka County	\$120,000.00	<p>The project develops improved estimates of basin discharge and flow system interconnection.</p> <p>Progress Report, May 2007: The project objectives were modified. The objectives are to quantify basin discharge from phreatophyte vegetation, quantify basin discharge by crop use, refine estimates of basin thickness, and estimate subsurface flow between discharge basins.</p> <p>Eureka County submitted a letter to the Board for consideration of a project time.</p>
Gerlach	\$92,833.42	<p>A database of spring flow and water quality will be created and a groundwater model will be developed to determine any changes that might result from the proposed development in the basin that might adversely affects the two springs (Garden and Railroad Springs) that provide water to Gerlach.</p> <p>Progress Report, December 2007: Data loggers &amp; flow meters were installed at both springs; Monitoring of water level and discharge rate from the springs is currently in progress and will be used in calibration of the groundwater model. Problems with the data collection have slowed the progress on this project.</p> <p>The Gerlach General Improvement District submitted a letter to the Board for consideration of a project time extension.</p>
LVVWD – Kyle Canyon	\$27,184.72	<p>Install 100 Permalog units for the detection of subsurface leaks and acquisition of a Patroller unit for data collection. This system will allow operators to find and repair leaks, protecting millions of gallons of water previously lost to the system.</p> <p>Progress Report, January 2008: The leak detection units have been installed. Final project reports are being prepared to close out this project.</p> <p>The LVVWD submitted a letter to the Board for consideration of a project time extension for the Kyle Canyon project final report.</p>
City of Fernley	\$38,680.59	<p>Reconcile all past and future mapping difficulties by attempting to develop a new GIS map of all Truckee Diversion surface water rights within the City of Fernley.</p> <p>Progress Report, June 2007: Data on all deeds relating to water rights transfers to the City of Fernley have been obtained and included in a database. Initial mapping of both sections 10 and 13 is in progress.</p> <p>The City of Fernley submitted a letter to the Board for consideration of a project time extension.</p>

## SB 62 PROJECT REPORT

June 2008

Project	Grant Amount	Project Summary
Virgin Valley Water District	\$116,041.77	<p>Analyze water quality information from throughout the watershed region to develop a conceptual model of groundwater flow, mixing and hydrologic connection through naturally occurring chemical tracers, and develop a steady-state representation of the predevelopment conditions of the regional groundwater flow systems utilizing modifications of previous models to develop a comprehensive numerical model.</p> <p>Progress Report, March 2008: The District submitted a thesis on the <u>Interaction of Surface and Subsurface Hydrological Processes in the Lower Virgin Valley</u> and a progress report on the status of the Lower Virgin groundwater model. The ground water model is approximately 65% complete and is expected to be finished within the next year.</p> <p>The Virgin Valley Water District submitted a letter to the Board for consideration of a project time extension.</p>
White Pine County	\$116,041.77	<p>Update information (including: hydrogeologic framework, groundwater hydrology, and regional groundwater flow system) on County's water resources and update the Water Resources Plan to assist in identifying potential water use and needs based on scenarios for growth and development. The County also added GIS capability in order to maintain and update information as it becomes available.</p> <p>Progress Report, January 2008: White Pine County's Water Resources Plan is complete and available at the NDEP offices in Carson City as well as electronically on NDEP's website at <a href="http://ndep.nv.gov/bffwp/whitepineco_sb62.htm">http://ndep.nv.gov/bffwp/whitepineco_sb62.htm</a> (contact: Michelle Stamates at 775.687.9331 or <a href="mailto:mstamate@ndep.nv.gov">mstamate@ndep.nv.gov</a>).</p>
LVVWD – Searchlight	\$150,000.00	<p>Drill and develop 4 new monitoring wells to better understand the groundwater resource and groundwater quality in Paiute Valley and the Eldorado Valley Basins. One of the 4 wells will be funded by this grant.</p> <p>Progress Report, Dec 2007: LVVWD evaluated monitoring well locations in Piute Valley and drilled 4 exploratory wells in 2007. An Environmental Assessment for the monitoring well project is in progress and should be submitted by February 2008. Approval of the EA and granting of ROW by the BLM is expected by September 2008. Bidding for the drilling project is expected to be completed by September 2008. The site chosen for this monitoring well is approximately 2 miles south of Searchlight's primary production well, Well S-2. The monitoring well is now scheduled for completion by April 2009.</p> <p>The LVVWD submitted a letter to the Board for consideration of a project time extension for the Searchlight project.</p>

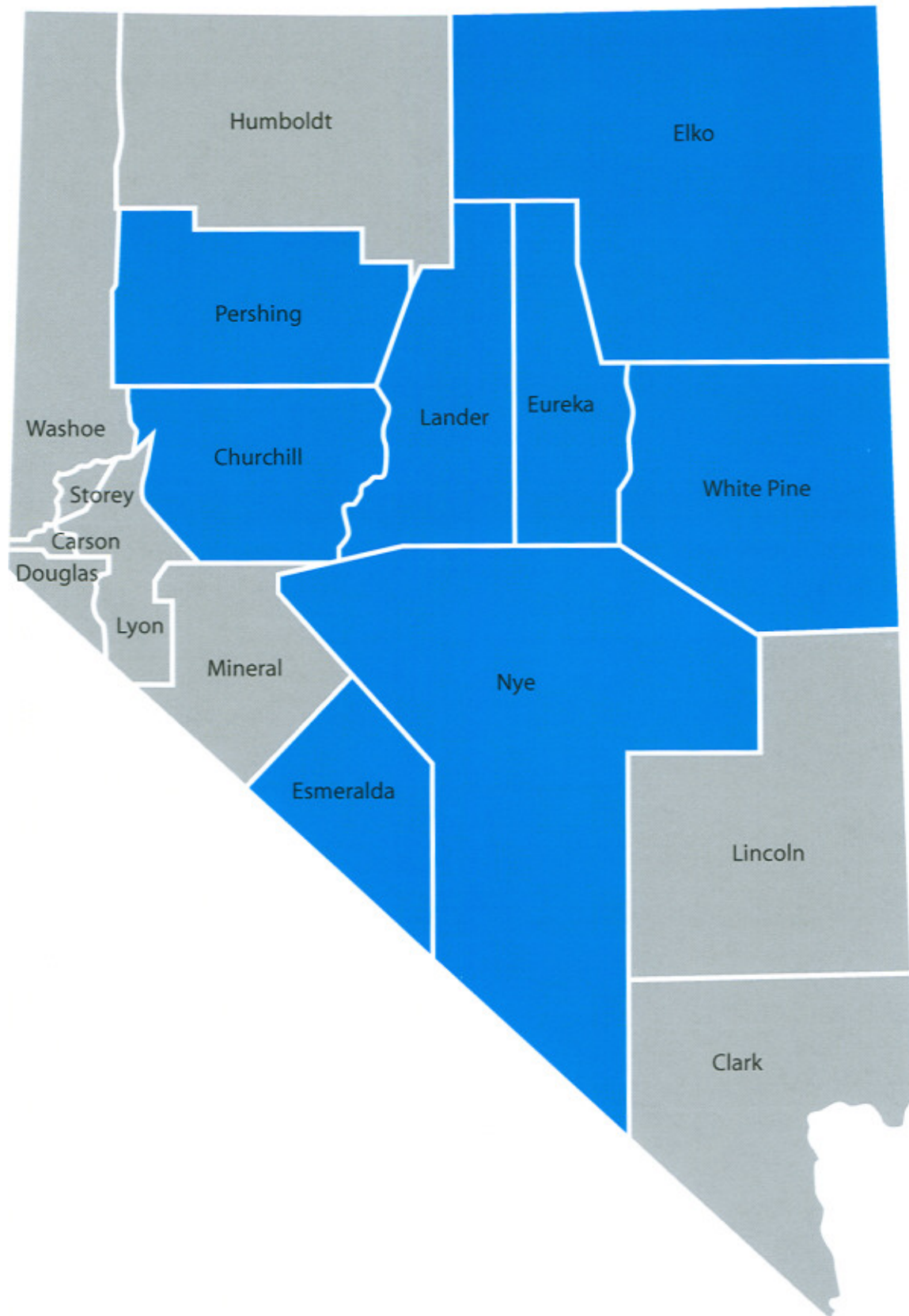
## SB 62 PROJECT REPORT

June 2008

Project	Grant Amount	Project Summary
Topaz Ranch Estates	\$5221.88	<p>Identification and mapping of proposed point of use/place of diversion for the existing 9 water rights permits.</p> <p>Progress Report, May 2008: The GID was awaiting final easement on the new well to begin this project. The easement was finalized in August 2007. The point of use/place of diversion for all 9 existing water rights are to be moved to this new well pending approval by the State Engineer.</p> <p>The Topaz Ranch Estates General Improvement District submitted a letter to the Board for consideration of a project time extension.</p>
Central Nevada Regional Water Authority	\$150,000.00	<p>Compile and document the baseline information required to determine long-term changes in groundwater levels in the Central Hydrographic Region (including: Churchill, Elko, Esmeralda, Eureka, Lander, Nye, &amp; White Pine counties) in order to evaluate the sustainability of present groundwater supplies secured under existing water rights, analyze the impacts of future development, and support future actions by local governments.</p> <p>Progress Report, December 2007: A spreadsheet containing water-level data, supporting database attributes and data-quality information; maps showing spatial distribution of water-level data; and an analysis of data gaps are now complete. A summary report that documents methods and findings and identifies areas needing additional new water-level measurements was generated. The website that will host the information is in the final implementation stages and will link to the Map Guide system developed with the Nevada Division of Water Resources. When this site becomes active, NDEP will include a copy of the summary report and a link to this site on its webpage.</p> <p>The Central Nevada Regional Water Authority submitted a letter to the Board for consideration of a project time extension.</p>

## **Appendix 11: SB62 Project Presentation by the Central Nevada Regional Water Authority**

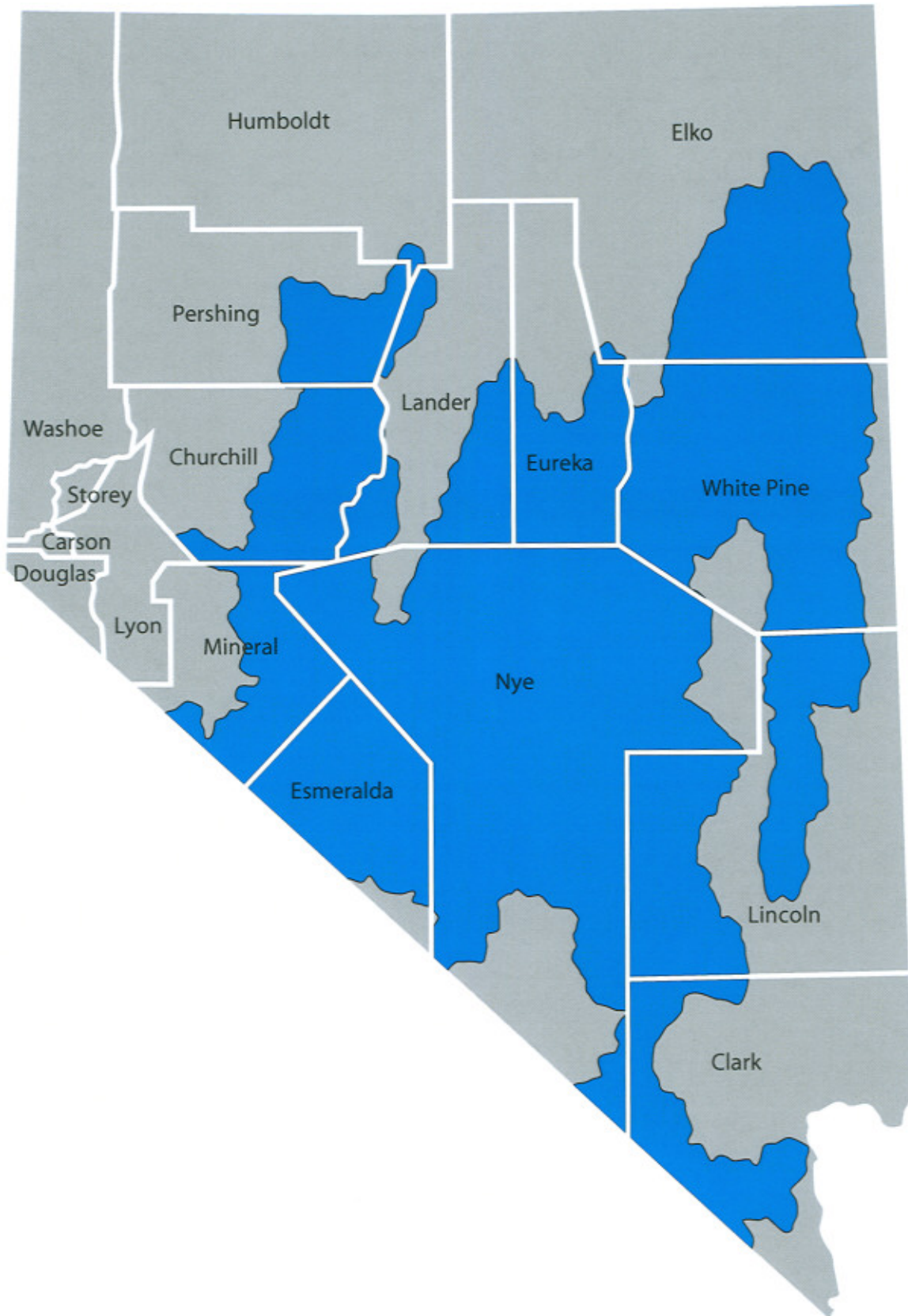
# Central Nevada Regional Water Authority



**Member Counties:** Churchill • Elko • Esmeralda • Eureka • Lander • Nye • Pershing • White Pine

## Central Hydrographic Region

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**Member Counties:** Churchill • Elko • Esmeralda • Eureka • Lander • Nye • Pershing • White Pine



## CENTRAL NEVADA REGIONAL WATER AUTHORITY FORM, FUNCTIONS AND MISSION

### A. Form:

1. The Authority is a unit of local government established by agreement of six Nevada counties (Elko, Esmeralda, Eureka, Lander, Nye and White Pine Counties) in the fall of 2005. The agreement is pursuant to the provisions of Chapter 277 of NRS (Interlocal Cooperation Act).
2. Churchill County joined the Authority September 8, 2006, and Pershing County joined the Authority January 1, 2008. Therefore the Authority has 8 Member Counties.
3. The Authority has a 20 member board of directors.
4. The Authority meets at least every three months in a member county community.
5. The Authority's legal counsel is the Eureka County District Attorney.
6. The Authority's fiscal agent is the Elko County Comptroller.
7. The Authority's office is located in the Churchill County Government Complex.
8. The Nevada Central Hydrographic Region (78 ground water basins) must be in a portion of a county for that county to join the Authority.
9. The Central Hydrographic Region is characterized by the following: a) productive alluvial aquifers, b) absence of regional surface water flows, c) deep bedrock aquifers, and d) ground water basins that are often interconnected by subsurface flows.

### B. Conferred Functions of the Authority:

1. Formulate and present united positions to agencies of the State of Nevada, the United States and other government entities relevant to water and water-related issues pertaining to Nevada's Central Hydrographic Region and the Member Counties.
2. Monitor available water supplies from all sources within and affecting Nevada's Central Hydrographic Region and separately within each Member County, and monitor the extent to which proposals to develop and export Central Hydrographic Region water may adversely impact availability of water for use by communities, residents, businesses and ecosystems in the Member Counties.
3. Combine limited fiscal and staff resources for the purpose of obtaining technical support, legal counsel and policy advice necessary for sound water resource decisions.
4. Facilitate the development and maintenance of a common base of data to a) better understand the water resources in the Central Hydrographic Region, and b) use and manage the Central Hydrographic Region's water resources.

5. Encourage citizen participation in water supply and management issues that are of concern to Member Counties and the Authority.
6. Protect and conserve a balance between the human environment and natural ecosystems of the Central Hydrographic Region as they relate to water resource development.
7. Provide a secure foundation for future investment and development within the Central Hydrographic Region.
8. Communicate the functions and activities of the Authority to public and private interests.

**C. Mission:** Protect the water resources of Nevada's Central Hydrographic Region so the Region will not only have an economic future, but its valued quality of life and natural environment will be maintained.

# Central Nevada Regional Water Authority

485 West B Street • Suite 103 • Fallon, NV 89406 • 775-747-2038

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## CENTRAL NEVADA REGIONAL WATER AUTHORITY BOARD OF DIRECTORS

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Churchill County  
Elko County

Esmeralda County  
Eureka County

Lander County  
Nye County

White Pine County

**Central Nevada Regional Water Authority**  
*Board of Directors*  
P.O. BOX 682  
EUREKA, NV 89316

TEL: (775) 237-6010

FAX: (775) 237-6012

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**Memorandum**

**To:** Board of Directors  
**From:** Jon Hutchings and Steve Bradhurst  
**CC:** Judy Overton  
**Date:** August 28, 2007  
**Re:** 2007/2008 Priorities

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The following are a list of CNRWA priorities for your consideration and affirmation at the August 30, 2007 meeting in Fallon.

- 1) Complete the USGS and Websoft Services, Inc. contracts to develop a comprehensive database of water level information for the Central Region.
- 2) Complete the Earth Knowledge, Inc. contract to create and maintain a CNRWA public website and Member intranet service.
- 3) Initiate a consistency analysis of member county water resource plans with recommendations for a regional plan.
- 4) Adopt and promote among member counties a resolution calling for implementation of land-use/growth management plans that honor resource limitations and promote balanced, dispersed economic development in Nevada.
- 5) Monitor key water resource issues.
- 6) Promote water resource education aimed at local governments and the public.

## Central Nevada Regional Water Authority Baseline Water-Level Data Assessment

The Central Nevada Regional Water Authority (CNRWA) was established by county commissions that have a part of the Central Hydrographic Region (CHR) in their counties. Today, the CNRWA has seven member counties: Churchill, Elko, Esmeralda, Eureka, Lander, Nye, and White Pine. An eighth member county, Pershing County, will join in January 2008. CHR is the largest hydrographic region in Nevada (1 of 14). The Central Hydrographic Region has 78 ground-water basins in 12 counties. Hydrographic information in the Central Region is limited; many basins have been studied only at the reconnaissance level. Data that do exist are held by a variety of federal and state agencies, local government, private and non-governmental organizations, making the widely dispersed data difficult to access for decision makers.

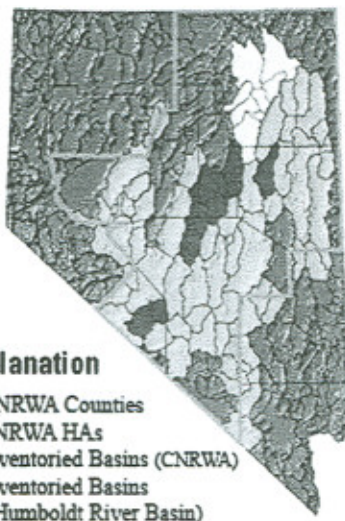


The creation of a ground-water level measurement database for CNRWA is beneficial; CNRWA members can use this database to 1) evaluate the sustainability of current ground-water supplies, 2) identify impacts of future development, and 3) reinforce future actions to secure good, quality water for use by member counties. Ground-water level measurements can be evaluated for temporal trends, identify the occurrence and movement of ground water, and to help quantify subsurface flow between basins. These are necessary early steps in developing an understanding of the water resources in a basin. Management of water-resources information as well as water-resources planning is an ongoing commitment that benefits all communities within the CNRWA counties.

### Cooperative Program with USGS and NDWR

The U.S. Geological Survey (USGS) and the State of Nevada Division of Water Resources (NDWR), working in cooperation with the CNRWA, surveyed all existing

ground-water level data to compile baseline water-level information for the Central Region. First, the source, characteristics, and quality of ground-water level data was determined. Second, all existing ground-water level measurements and supporting attributes were compiled, assessed, and, where necessary, processed into a map-based website that could easily be accessed by member counties. This website is available from NDWR at <http://webmap.water.nv.gov/>. In addition, several basins were inventoried during field investigations to evaluate the condition of existing wells, establish well locations so they can be easily revisited, and identify areas where additional ground-water data is needed.



### Future Work

Member counties understand the issues specific to their region and can provide valuable guidance as to where additional ground-water level information is needed. This input could establish priorities for continued field investigation of existing wells and for establishment of a ground-water monitoring network.

A ground-water monitoring network is a useful tool for evaluating the water resources in a basin. USGS, NDWR, and individual counties, manage several ground-water level monitoring networks throughout the State. USGS, in cooperation with CNRWA, can assist member counties in the development of a ground-water level monitoring strategy that includes basin priorities, identifying and training citizens or county personnel, acquiring the necessary field equipment, and establishing procedures for quality assurance of measurements. Data collected could be submitted to NDWR for inclusion in their ground-water level database and would be available through the current map-based website.

**CENTRAL NEVADA REGIONAL WATER AUTHORITY**  
*Professional Services Scope-of-Work*

**MODIFICATIONS TO NEVADA DIVISION OF WATER RESOURCES FACILITIES-  
 MAP DATA MANAGEMENT APPLICATION**

**Background** The Central Nevada Regional Water Authority has identified three priority water resource needs for communities in the Central Region. These needs are 1) compilation and analysis of hydrologic data, 2) information management and dissemination and 3) water resource planning. Common to satisfying these needs is availability of a robust information management system that provides map-based internet access to water resource data. The present document presents a scope-of-work aimed at assisting the Nevada Division of Water Resources to modify its existing FacilitiesMap application to 1) provide public access to a complete database of water level data in the Central Hydrographic Region and 2) enhance the utility of existing water rights and well log databases. This effort will substantially advance the ability of communities and their local governments to access information in support of county and regional water resource decisions.

**Purpose and Objectives** The purpose of the proposed work is to modify the Nevada Division of Water Resources FacilitiesMap application (Autodesk MapGuide Enterprise 2007) to integrate the Central Nevada Regional Water Authority's desired functionality and water level data. Project objectives are:

- 1) Develop a robust query function that will allow users to select a subset of wells in a geographic area, search that subset by a variety of database attributes and display, save or print the results,
- 2) Create appropriate tools and scripts to integrate water level data from a) the USGS using the NWISWeb automated retrieval system and b) an appropriately formatted NDWR-resident database containing CNRWA "outside" data,
- 3) Extend the query function to sets of user-defined queries that persist at user login, and
- 4) Properly document the development of FacilitiesMap functions and provide a Users Guide for functions created by this project.

**Project Tasks and Timeline** Project tasks, subtasks, timeline and estimated time requirements are detailed below.

<b>Task 1 – Query Function Enhancements (80 hours)</b>	<b>Feb 1 2007</b>	<b>Apr 1 2007</b>	<b>Jun 1 2007</b>	<b>Aug 1 2007</b>	<b>Oct 1 2007</b>
A. Consult with database administrators to: 1) Define fields that will be available for query 2) Create secure, read-only access to data					
B. Write query code that accesses fields 1) Project Management Team (PMT) test and feedback					

C. Write code to process and display queries data into current MapGuide application 1) PMT test and feedback					
D. Write code that allows step-wise refinement of queries 1) PMT test and feedback					
E. Write code to generate exportable maps, file reports and printable reports appropriate to queried data 1) PMT test and feedback					

<b>Task 2 – Integrate USGS and non-NDWR data (90 hours)</b>	<b>Feb 1 2007</b>	<b>Apr 1 2007</b>	<b>Jun 1 2007</b>	<b>Aug 1 2007</b>	<b>Oct 1 2007</b>
A. Develop tools and scripts to retrieve and integrate ground-water level data from USGS' NWISWeb: 1) USGS data will be retrieved periodically 2) PMT test and feedback					
B. Develop tools and scripts to retrieve and integrate non-NDWR ground-water-level data stored on NDWR's server 1) PMT test and feedback					
C. Develop a process for indicating the source and meta-data associated with queried data 1) PMT test and feedback					

<b>Task 3 – Create and Retain User-Defined Queries (120 hours)</b>	<b>Feb 1 2007</b>	<b>Apr 1 2007</b>	<b>Jun 1 2007</b>	<b>Aug 1 2007</b>	<b>Oct 1 2007</b>
A. Alter FacilitiesMap login system to accommodate naming and saving of custom user-defined queries: 1) PMT test and feedback					
B. Create a "wizard style" tool for creating, altering and saving user-defined queries 1) PMT test and feedback					
C. Allow saving and printing of user-defined queries 1) PMT test and feedback					

<b>Task 4 – Application Documentation and Users Guide (80 hours)</b>	<b>Feb 1 2007</b>	<b>Apr 1 2007</b>	<b>Jun 1 2007</b>	<b>Aug 1 2007</b>	<b>Oct 1 2007</b>
A. Technical memorandum detailing the application's development 1) Includes a discussion of successes and hurdles encountered 2) PMT review and feedback					
B. Users guide that is enabled in the application to provide guidance on using each function. 1) PMT review and feedback					
C. Written recommendations for future application enhancements 1) PMT review and feedback					

**Timeline and Coordination Requirements** This project is expected to require a total of 370 hours of consultation, programming and writing. The CNRWA Directors wish the project to begin February 1, 2007 and end no later than December 14, 2007. The CNRWA Executive Director is the designated point-of-contact for contract administration. A Project Management Team (PMT) is named for the purpose of addressing technical questions that arise during contract activities and coordinating review of deliverables. The CNRWA Directors contemplate no fewer than three telephone conferences with the full PMT (at conclusion of Tasks 1, 2 and 3) and one appearance before the Board of Directors (product demonstration prior to contract final delivery).

**Payment Schedule and Completion Requirements** Payments will be made at the conclusion of each Task upon recommendation of satisfactory performance by the PMT. The payment schedule is expected to approximate the Project Timeline as shown above. In the event that the PMT judges that work on any Task fails to meet the specifications of this scope of work, then the PMT will provide written justification and all outstanding payments will be suspended pending resolution of the impasse.

Appearance before the Board of Directors on or about November 1, 2007 to demonstrate the work products will accompany a final completion recommendation by the PMT. Within two weeks following the appearance, the Directors will provide a written request for all final changes, if any, to the work product. Substantive changes requiring major renovation or extension of the work product will be contemplated by contract extension. The final product, including minor alterations requested by the Board of Directors will be submitted no later than December 15, 2007, unless affirmatively extended by motion of the Directors.

In the event that the PMT judges that any portion of the work fails to meet the specifications of this scope of work, then the PMT will provide written justification for such a recommendation in advance of the contractor's appearance before the Board of Directors. The Directors will consider the recommendation and address the contractual requirements at that time.

Fifteen percent (15%) of the total billed amount will be withheld from payment of each Task for a period of six months after delivery of the final product to facilitate warranty of the work product. Warranty means that the contractor, in cooperation with Nevada Division of Water Resources staff, agrees to correct deficiencies in the work products that arise during the six month period.

All work products will be the sole property of the State of Nevada and its political subdivisions, and, by extension, will remain freely available to the Central Nevada Regional Water Authority.

**Award Criteria** To be considered for this professional services contract, candidates must be able to demonstrate (1) thorough knowledge of the Nevada Division of Water Resources database structure, (2) thorough knowledge of the Nevada Division of Water Resources FacilitiesMap application, (3) substantial experience managing water resources data, and (4) substantial experience developing data management tools specific to local governments. In addition, the successful candidates must demonstrate a history of timely completion of similar projects and show adequate capacity for completion at the time of contracting.

## ATTACHMENT A

CENTRAL NEVADA REGIONAL WATER AUTHORITY  
*Professional Services Scope-of-Work*WEBSITE/INTRANET DEVELOPMENT AND MAINTENANCE

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**Background** The Central Nevada Regional Water Authority has identified three priority water resource needs for communities in the Central Region. These needs are 1) compilation and analysis of hydrologic data, 2) information management and dissemination and 3) water resource planning. Common to satisfying these needs is a centralized, web-based repository for water resource information pertinent to the Central Hydrographic Region. The present document presents a scope-of-work aimed at securing professional services that will provide Member Counties and the public 1) ready access to information about water resources of the Central Hydrographic Region, 2) a central portal for CNRWA to disseminate the results of its activities, and 3) an internal management structure that is easily transferred among geographically distant Member Counties, consultants and other essential participants. This effort will substantially advance the ability of communities and their local governments in the Central Hydrographic region to access information in support of county and regional water resource decisions. This effort will assist CNRWA become a robust and persistent advocate for water resource management in the Central Region and in the State.

**Purpose and Objectives** The purpose of the proposed work is to develop, host and maintain a water resources internet site and a secure intranet workspace. Project objectives are:

- 1) distribute CNRWA meeting agendas, minutes and supporting material to the Board of Directors and the public,
- 2) develop and post water resources content pertinent to the Central Hydrographic Region for consumption by Member County staff and lay persons,
- 3) develop a secure intranet work-space to support interaction among CNRWA work groups,
- 4) host the above-listed work products, and
- 5) conduct regular website maintenance and content updates.

**Timeline and Coordination Requirements** The CNRWA Board of Directors anticipates a single 24 month contract that specifies a six month development period and an 18 month hosting, maintenance and update period. Website development is expected to require no more than 50 hours of consultation, content development and programming. Maintenance and update activities are expected to require no more than 30 hours of consultation, content development and programming.

The Directors wish the contract to begin August 15, 2007 and end on July 30, 2009. The CNRWA Executive Director is the designated point-of-contact for contract administration. A Project Management Team (PMT) is named for the purpose of addressing technical questions that arise during contract activities and coordinating

## ATTACHMENT A

review of deliverables. The Directors will require the following coordination during the contract period:

- a. two or more telephone conferences with the PMT during the development period for the purpose of evaluating development work products,
- b. one appearance before the Board of Directors at the conclusion of the development period, on or around December 1, 2007, and
- c. one telephone conference with the PMT at the end of year one of the contract, on or around June 30, 2008, for the purpose of evaluating hosting, maintenance and update activities.

**Payment Schedule and Completion Requirements** Payments will be made quarterly upon recommendation of satisfactory contract performance by the Executive Director. In the event that the Executive Director concludes that the work fails to meet the specifications of this scope-of-work, then Executive Director will provide written justification and all outstanding payments will be suspended pending resolution of the impasse by the Board of Directors.

Completion of the development work will follow an appearance before the Board of Directors at a regularly scheduled CNRWA meeting on or about December 1, 2007. The contractor will use the appearance to demonstrate the development work product. Within two weeks following the appearance, the Board of Directors will provide a written request for all final changes, if any, to the work product. Substantive changes requiring major renovation or extension of the work product will be contemplated by contract extension. The final development product, including minor alterations requested by the Board of Directors will be submitted no later than January 1, 2008, unless affirmatively extended by motion of the Directors.

Fifteen percent (15%) of the total billed amount will be withheld from each quarterly payment for the term of the contract to facilitate warranty of work products. Warranty means that the contractor, in cooperation with CNRWA, agrees to correct deficiencies in the work product that arises during the contract period. The withholdings will be paid in full at final billing upon successful completion of the contract.

The internet content will be the sole property of Central Nevada Regional Water Authority and its Member Counties, and, by extension, will remain freely accessible to the public.

**Award Criteria** To be considered for this professional services contract, candidates must be able to demonstrate (1) thorough knowledge of website and internet workspace development, programming and management, (2) capacity to host, actively manage and regularly update a public website and intranet workspace for greater than two years, (3) understanding of rural water resource information needs, and (4) familiarity with and understanding of water resources information available for the Central Hydrographic Region. In addition, the successful contractor will be required to demonstrate a history of timely completion of similar projects and show adequate capacity for completion at the time of contracting.

## Proposed Task List for Development and Maintenance of CNRWA Website / Web Services

Earth Knowledge, Inc.  
500 N. Tucson Blvd., Suite 150  
Tucson, Arizona 85716

### **Task 1: Website Design and Development**

- a) System Overview. Provide a presentation to CNRWA Project Management Team providing overview of system capabilities and system template. Template to include:
  - i) Background information on CNRWA formatted into not more than 5 second-level pages for public viewing,
  - ii) News Posts (news items from regional or local news providers for public viewing and comment),
  - iii) Public Organizational Posts (items developed by CNRWA including meeting agendas, minutes and supporting documents for public viewing and comment), and
  - iv) Secure Organizational Posts (secure areas for private discussion posts, commenting and file sharing including attachments and images).
- b) Background Information. Format and structure "CNRWA Background Information" which will be provided by the CNRWA for inclusion in the website formatted into not more than 5 second-level pages (additional pages at \$200 per page development charge).
- c) Approval of News Sources. A list of News Sources for regional and local content will be developed and provided to the PMT for approval and incorporation into the website.
- d) Approval of Public and Secure Site Structure and Design. A demonstration of the preliminary website will be provided to the CNRWA Project Management Team for comment and approval.
- e) Website Development. Approved website design will be prepared and developed for final implementation.

### **Task 2: Website Maintenance and Update**

- a) Update and Maintenance. News, Public and Secure Posts will be updated and maintained as needed on a monthly basis.

## Estimated Costs:

	Hours Principal	Hours Operations
<b>Task 1: Design / Development</b>		
a) System Overview	1	5
b) Background Information	1	10
c) Approval of News Sources	1	10
d) Approval Site Structure	1	10
e) Website Development	2	10
Subtotal Task 1 Hours	6	45
<b>Task 2: Maintenance</b>		
a) Update and Maintenance		27
Subtotal Task 2 Hours	0	27
<b>Total Hours</b>	<b>6</b>	<b>72</b>
Hourly Rate	\$ 200	\$ 90
Total Task 1	\$ 1,200	\$ 4,050
Total Task 2	\$ 0	\$ 2,430
<b>Project SubTotal</b>	<b>\$ 1,200</b>	<b>\$ 6,480</b>
<b>Project Total</b>		<b>\$ 7,680</b>

# Central Nevada Regional Water Authority

485 West B Street • Suite 103 • Fallon, NV 89406 • 775-747-2038



May 22, 2008

Nevada Division of Environmental Protection  
Board for Financing Water Projects  
c/o Michelle Stamates, P.E.  
901 South Stewart Street, Suite 4001  
Carson City, Nevada 89701-5249

**Subject:** Request by the Central Nevada Regional Water Authority to Extend Funding Agreement with the Board for Financing Water Projects

Dear Michelle,

The purpose of this letter is to follow-up my April 28, 2008 email to you wherein I responded to your April 22, 2008 letter asking if the Central Nevada Regional Water Authority (Authority) would like to request a one-time, one year extension to the funding agreement it has with the Board for Financing Water Projects (Board). As you know, the funding agreement is for \$150,000, and it pertains to a SB 62 Water Rights Technical Support Grant (Grant) awarded by the Board to the Authority and signed by the State of Nevada July 7, 2006.

As stated in my April 28 email the Authority requests the Board approve a one year extension to the Grant. The work tasks associated with the Grant are as follows:

1. **Work Task 1:** Identify wells and water level information associated with those wells by doing the following: a) determine the source, characteristics, and quality of ground-water level data, b) compile, assess and process ground-water level measurements and supporting attributes into a map-based website the can be easily accessed by the public, and c) inventory a limited number of water basins to determine condition of wells, well locations and areas where additional ground-water data is needed.
2. **Work Task 2:** Enhance Nevada Division of Water Resources water data information management and dissemination capabilities in order to integrate the Authority's desired functionality and water level data.
3. **Work Task 3:** Develop and implement a website in order to do the following: a) distribute Authority meeting agendas, minutes and supporting material to the public, b) develop and post water resource information pertinent to the Central Hydrographic Region, c) develop a secure intranet work-space to support interaction among Authority work groups, and d) provide a link to water resource organizations.

The purpose of Work Tasks 1 and 2 is to develop an understanding of the water resources in the Central Hydrographic Region in order to 1) evaluate the sustainability of basin ground-water supplies, 2) identify impacts of future development, and 3) support future actions in member counties that pertain to economic development and the protection of

the natural environment. Work Task 3 focuses on 1) public communication and education, and 2) enhanced decision-making by local governments.

Regarding the status of the aforementioned Works Tasks, I offer the following information;

1. Work Task 1 is a collaborative program involving the Authority, the United States Geological Survey (USGS) and the Nevada Division of Water Resources. The Authority has two joint funding agreements with the USGS to complete Work Task 1, with the Authority providing the USGS \$80,000 from the Grant. The USGS provides \$50,000 by way of in-kind services. Work Task 1 was completed in the fall of 2007, and the funds expended from the Grant total \$79,900.53.
2. Work Task 2 pertains to modifying the Nevada Division of Water Resources FacilitiesMap application (Autodesk MapGuide Enterprise 2007) in order to integrate the Authority's desired functionality and water level data. The Authority has a contract with Websoft Developers, Inc. to do this work. The Nevada Division of Water Resources is supervising the work, and Dave Wooldridge with the Division indicated over 50 percent of the work has been completed. The contract amount is \$49,950, and Grant funds are to be used for this work. To date \$31,590 has been paid the contractor, and the Authority has asked for \$21,330 from the Grant. It is expected the Authority will submit a payment request for the difference (\$10,260) in the near future. Also, Websoft Developers, Inc. stated in a February 22, 2008 letter to the Authority's Executive Director that the contract work would be completed by June 30, 2008.
3. Work Task 3 pertains to website design, development and implementation. The Authority has a contract with Earth Knowledge, Inc. to do this work, and it is expected the website will be functioning by June 15, 2008. The contact amount is not to exceed \$10,000, and Grant funds are to be used for this work. To date \$5,337.50 has been paid the contractor, and the Authority will submit a payment request for this amount in the near future.

To sum up, the Authority has a funding agreement with the Board for \$150,000. The Authority has three work tasks. Grant funds to be used for the three work tasks totals \$139,950, not including Authority administration costs. Task 1 is complete. Task 2 is projected to be completed June 30, 2008. Task 3 is expected to be completed June 15, 2008. At this point in time it is recommended the remaining funds in the Grant (\$10,050) be earmarked for Authority administration of the Grant and the Work Tasks.

Grant funds received to date total \$101,230.39. Therefore, there is \$48,769.61 left to be disbursed from the Grant. A payment request for \$15,597.50 will be submitted to the Grant administrator in the near future; hence, there will be \$33,172.11 left to be disbursed from the Grant, and a request for this amount will likely be submitted by July 2008.

If you have any questions, please do not hesitate to contact me. Also, as stated in the past, the Authority would be happy to appear before the Board in order to provide an overview of the Authority's significant accomplishments that have been made possible by the SB 62 Water Rights Technical Support Grant.

Michelle, I want to thank you for being responsive to my inquiries regarding the Grant, and for going the extra mile to make the Authority's Grant a success.

Sincerely,

A handwritten signature in cursive script that reads "Steve Bradhurst". The signature is written in dark ink and is positioned above the printed name and title.

Steve Bradhurst  
Executive Director

c: Central Nevada Regional Water Authority Board of Directors  
Debbie Armuth, Elko County Comptroller  
Ted Beutel, Eureka County District Attorney